

PROSPECTUS

315,000 Shares  
**Glosser Bros., INC.**  
Common Stock  
(Without Par Value)

**OBSOLETE**

Of the shares offered hereby, 75,420 shares are being sold by the Company and 239,580 shares are being sold by the stockholders of the Company (see "Principal and Selling Stockholders"). The Company will receive any of the proceeds from the sale of the shares being sold by the Selling Stockholders.

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

Per Share	Price to Public	Underwriting Discounts and Commissions (1)	Proceeds to Company (2)	Proceeds to Selling Stockholders (2)
Total	\$4,725,000	\$346,500	\$1,048,338	\$3,330,162
	\$15.00	\$1.10	\$13.90	\$13.90

(1) The Company and the Selling Stockholders have agreed to indemnify the Underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933, as amended (see "Underwriting").

(2) Before deduction of expenses estimated at \$21,500 payable by the Company and \$66,700 payable by the Selling Stockholders.

Prior to this offering there has been no market for the Common Stock of the Company. The public offering price has been determined by negotiations among the Company, the Selling Stockholders and the Underwriters.

The above shares are being offered by the several Underwriters when, as and if received and accepted by them, subject to prior sale and to the withdrawal of such offer without notice, and subject to the approval of counsel and certain other conditions.

**SHEARSON, HAMMILL & CO.**  
INCORPORATED  
The date of this Prospectus is June 8, 1971

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**Glosser Bros. INC.**  
**ANNUAL REPORT**  
FISCAL YEAR ENDED JANUARY 31, 1976





## PRESIDENT'S REPORT

The fiscal year which ended January 31, 1976 produced new records in both sales and earnings.

Our sales goal was to exceed \$100,000,000 and this milestone was successfully attained. Total sales for the year amounted to \$103,198,000 as compared to \$89,906,000 for the previous year, an increase of \$13,292,000 or 15%. The Department Store Division contributed \$66,131,000 or 64% of the total sales and the Supermarket Division was responsible for \$37,067,000 or 36%. (For a meaningful comparison, five years ago our sales were \$46,350,000.)

Net earnings for your company reached \$2,273,000 or \$2.12 per share while previous year earnings were \$1,749,000 or \$1.63 per share, an increase of 30%. (Again for comparison, five years ago earnings were \$1,012,000.)

This most successful year can be attributed to many favorable external factors, plus our aggressive merchandising policies. Economic historians often state that iron, steel, and coal have been major factors in creating this great nation. The importance of these industries to our national and local economy is substantial, and there is now an unprecedented demand for steel products and coal. We are fortunate that our stores are located in areas where these industries predominate, making us the beneficiaries of high employment, plus economic stability.

The department store operations have been especially successful, contributing 89% of our total earnings. In our food division, because of the heavy concentration and expansion of competing new supermarkets in our marketing areas, we were compelled to shave profit margins in order to attract and retain cost conscious consumers. In our early expansion years, our supermarkets, located adjacent to our initial Gee Bee Department Stores, were an important factor in drawing customers for both divisions. Now, however, this arrangement is no longer necessary, especially in high traffic mall locations. Because of greater capital requirements, higher operating costs, and increased logistical problems, we do not contemplate expanding our supermarket division, except in those areas where we are already a food factor — primarily those locations close to our present warehouse facilities in Johnstown. This policy was first mentioned in June of 1974 and since that time only one additional market has been opened. This was a unit in Johnstown which was acquired from an existing chain. We now have a total of five markets in the greater Johnstown area which makes us a major food retailer in Johnstown itself. Our policy will be to concentrate our energies and funds on the regional expansion of the department store division, where capital outlays are less and profit margins are greater and more quickly achieved.

The Company's financial position has remained strong and, as in the past, last year's expansion was financed through current operations. The book value per share of your company has increased from \$11.87 to \$13.70. (Five years ago it was \$6.37.) Working capital has increased from \$7,765,000 to \$9,251,000. (Five years back it was \$4,203,000.) Total stockholders' equity increased from \$12,741,000 to \$14,713,000. (In 1971 it was \$6,358,000.) Current assets amounted to \$14,907,000 as compared to current liabilities of \$5,656,000 resulting in a very favorable ratio of 2.64:1.

Semi-annual dividends were increased from 13¢ to 15¢ by your Board of Directors to shareholders of record of December 26, 1975. Cash dividends have been paid regularly by your company for 29 consecutive years since 1946 and increased in eight out of the last nine years. This policy expresses the company's desire to continue to increase payout to shareholders, commensurate with our rate of growth and sound business practice.

During the fiscal year ended January 31, 1976 your company opened a 60,000 sq.ft. Gee Bee Dept. Store in the Middletown Mall in Fairmont, West Virginia, our initial entry into this neighboring state. A supermarket, previously mentioned, was opened in Westmont, a suburban area adjacent to Johnstown. In addition, a pilot Home Improvement (Do-It-Yourself) Center was opened in the same shopping center in which our Gee Bee Richland store is located. The success of this operation is being studied for future expansion possibilities. In the Spring of 1975 our 60,000 sq.ft. warehouse in Windber, Pennsylvania was expanded to 96,900 sq.ft. to enable us to store advance seasonal merchandise and special purchases for later distribution to the various stores.

In addition, we recently leased a former 70,000 sq.ft. W. T. Grant Company location in the Nittany Mall, University Park (State College), Pennsylvania. This new Gee Bee department store will be refurbished and refitted and we expect it to be in operation in time for the "back-to-school" season. The planned 72,000 sq.ft. Gee Bee department store in Altoona, Pennsylvania is nearing completion with a contemplated August, 1976 opening date.

The company's ability to generate the internal funds necessary for future expansion depends to a great extent on the income produced by our existing units. As a result, special emphasis is being placed on modernizing and renovating older stores to continue to maintain their profitability. Your company currently operates Glosser Bros., a conventional department store in downtown Johnstown, ten Gee Bee Discount Department Stores, ten Gee Bee Supermarkets, and one Home Improvement Center.

We have always had an optimistic view towards Glosser's steady growth potential. We expect 1976 to be another excellent year. Our area's economy is strong and our energetic and experienced merchandise and buying team are competent and dedicated. Their abilities to interpret consumer needs, and to obtain and offer to our customers quality merchandise at the lowest possible price, is a continuing and enjoyable challenge to them.

Management is mindful of continued increases in operating expenses and the necessity of ceaseless efforts for their control. As mentioned in our newsletter, we have done substantial research to reduce our energy usage and costs. Our present construction projects embody new methods in light and heat cost savings. More and better building insulation and roofing methods are being utilized in the new units, and when possible, are being adopted in existing stores. We continue to scrutinize and review all methods of operation and supervision to find ways of keeping overhead costs down, without lowering customer service or proper presentation of the merchandise for sale.

The strength and status of Glosser Bros. has been built on a solid foundation of integrity and the superior performance of dedicated and loyal employees. It is with these co-workers that we are provided the confidence to build for the future.

On behalf of Glosser Bros., we wish to acknowledge your support and interest as shareholders. We thank all of you who have played such a significant role in our growth. We fully intend to make a good company—yours and ours—even better.

Sincerely,  
GLOSSER BROS., INC.

Leonard J. Black

May 1, 1976



# Glosser Bros INC.

## ANNUAL REPORT

FISCAL YEAR ENDED JANUARY 31, 1976

### FINANCIAL HIGHLIGHTS

	Fiscal Years Ended	
	(52 Weeks) Jan. 31, 1976	(53 Weeks) Feb. 1, 1975
Net Sales	\$103,198,000	\$ 89,906,000
Earnings Before Income Taxes	4,573,000	3,582,000
Income Taxes	2,300,000	1,833,000
Net Earnings	2,273,000	1,749,000
Net Earnings Per Common Share	2.12	1.63
Cash Dividends	301,000	268,000
Cash Dividends Per Common Share	.28	.25
Earnings Retained In The Business	1,972,000	1,481,000
Stockholders' Equity	14,713,000	12,741,000
Working Capital	9,251,000	7,765,000
Current Ratio	2.64:1	2.49:1
Percent Return on Average Shareholders' Equity	16.6	14.6
Net Earnings as a Percent of Sales	2.20%	1.95%
Book Value Per Share	13.70	11.87

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE SUMMARY OF OPERATIONS

#### Fiscal Year Ended January 31, 1976 (52 weeks)

The fiscal year ended January 31, 1976 established record sales and earnings for the Company. Total sales for the year amounted to \$103,198,000 as compared to \$89,906,000 for the previous year, an increase of \$13,292,000 or 15%. Net earnings increased 30% to \$2,273,000 or \$2.12 per share from \$1,749,000 or \$1.63 per share for the previous year.

The increase in sales resulted from a new Gee Bee discount department store, a new Gee Bee supermarket and a new Gee Bee Home Improvement Center opened during the fiscal year, along with substantial increases in volume done in the other existing stores over that of the previous fiscal year.

The increase in net earnings for the year resulted from increased gross margins in the department store division along with a slight decrease in operating expenses as a percent to sales in the department store division because of the significant increase in sales noted above.

With the new stores opened during the fiscal year, investment tax credits increased to \$105,000 from \$45,000, resulting in an effective tax rate of 50% as compared to 51% for the previous year.

#### Fiscal Year Ended February 1, 1975 (53 weeks)

The fiscal year ended February 1, 1975 was another growth year for the Company. Sales increased \$15,449,000 or 21% to \$89,906,000 as compared to \$74,457,000 for the previous year. The bulk of this increase, approximately \$10 million, resulted from the three new Gee Bee discount department stores and two new Gee Bee supermarkets that were opened in the latter part of the fiscal year ended January 26, 1974. The balance of the increase resulted from increased volume in some of the other stores along with generally higher selling prices necessitated by higher merchandise costs particularly in the food industry.

Net earnings for the fiscal year ended February 1, 1975 were \$1,749,000, \$1.63 per share, as compared to \$1,912,000, \$1.78 per share, or a decrease of 8%. This decrease in net earnings resulted from a slight decline in gross margins caused by an increase in shrinkage, and price reductions beginning early in the fourth quarter to meet the extraordinary competition and promotion of national chains liquidating their excess inventories. Operating expenses increased significantly during the fiscal year, particularly payroll costs, due to new Federal minimum wage legislation effective May 1, 1974, and utility costs as a result of the energy shortage.

With no new stores opened in the fiscal year, investment tax credits were substantially less than the previous year resulting in an effective tax rate of 51% as compared to 49% for the fiscal year ended January 26, 1974.



10 YEAR REVIEW

(In Thousands except amounts per share)

RESULTS FOR FISCAL YEARS ENDED

	January 31, 1976	February 1, 1975	January 26, 1974	January 27, 1973	January 29, 1972	January 30, 1971	January 31, 1970	February 1, 1969	January 27, 1968	January 28, 1967
Net Sales	\$ 103,198	\$89,906	\$74,457	\$61,127	\$47,988	\$46,350	\$35,849	\$30,532	\$27,018	\$25,368
Earnings before income taxes	4,573	3582	3,742	2,950	2,582	2,164	1,910	1,778	1,436	1,295
Income taxes	2,300	1,833	1,830	1,492	1,392	1,152	1,071	977	721	624
Net earnings	2,273	1,749	1,912	1,458	1,190	1,012	839	801	715	672
Cash Dividends	301	247	247	225	215	182	151	150	138	138
Earnings retained in the business	1,972	1,481	1,665	1,233	975	831	688	651	577	534

DOLLARS PER AVERAGE SHARES OUTSTANDING

Net earnings	2.12	1.63	1.78	1.36	1.14	1.01	.84	.81	.72	.68
Depreciation	.68	.63	.54	.41	.36	.35	.26	.20	.15	.13
Cash Dividends	.28	.25	.23	.21	.20	.18	.15	.15	.14	.14
Book Value (1)	13.70	11.87	10.49	8.94	7.79	6.37	5.54	4.85	4.19	3.61

YEAR END POSITION

Working capital	\$ 9,251	\$ 7,765	\$ 6,498	\$ 6,342	\$ 5,998	\$ 4,203	\$ 3,898	\$ 3,695	\$ 3,541	\$ 3,058
Current ratio	2.64:1	2.49:1	2.21:1	2.88:1	2.60:1	2.33:1	2.37:1	2.55:1	2.81:1	2.63:1
Total Assets	\$20,844	\$18,347	\$16,940	\$13,395	\$12,595	\$10,038	\$ 9,068	\$ 7,940	\$ 6,578	\$ 5,951
Property and Equipment—Net	5,736	5,187	4,892	3,552	2,789	2,678	2,327	1,856	1,083	1,014
Stockholders' equity	14,713	12,741	11,260	9,595	8,363	6,358	5,527	4,802	4,151	3,574

PERFORMANCE MEASUREMENTS (Percentages)

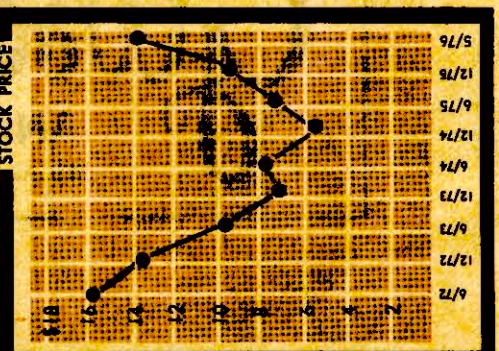
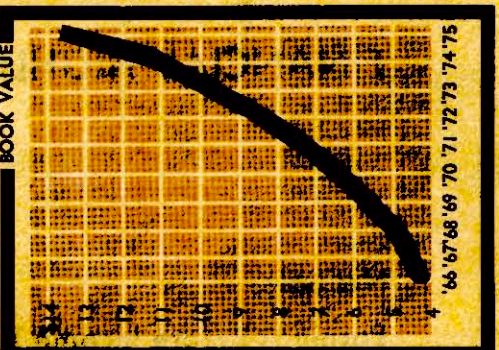
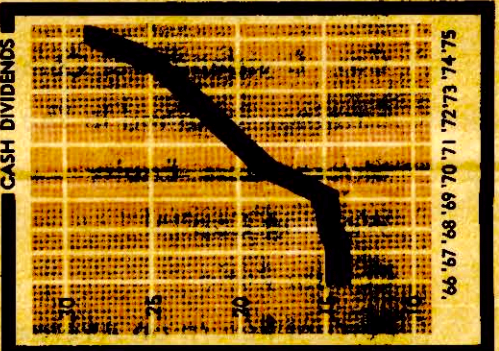
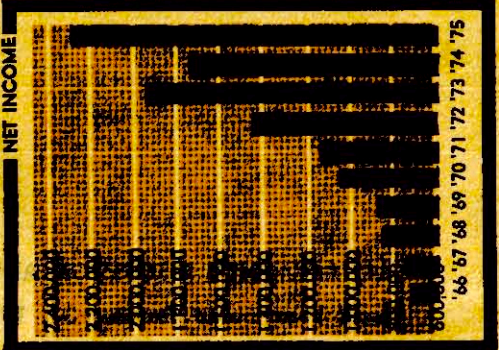
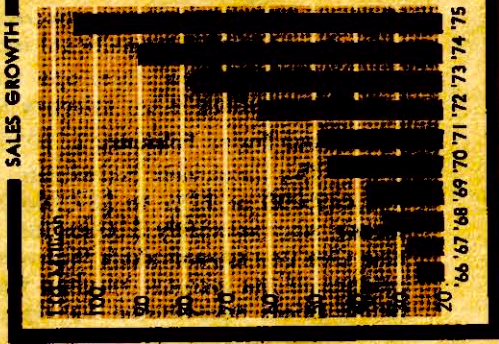
Net earnings as a percentage of sales	2.20	1.95	2.57	2.39	2.48	2.18	2.34	2.62	2.64	2.65
Percent return on average stockholders' equity	16.6	14.6	18.3	16.2	16.2	17.0	16.2	17.9	18.5	20.3
Annual percentage of increase (decrease) in earnings per share	30	(8)	.31	19	13	20	4	13	6	5

OTHER DATA

Weighted average number of shares of common stock outstanding	1,074	1,074	1,074	1,074	1,049	998	995	990	990	990
Number of Department Stores	11	10	10	7	5	5	4	3	3	3
Number of Supermarkets	10	9	9	7	5	5	4	4	3	3

(1) Per share of common stock outstanding at year end

TEN YEAR REVIEW GRAPHS





315,000 Shares  
**Glosser Bros., INC.**

Common Stock  
(Without Par Value)

OBSOLETE

Of the shares offered hereby, 75,420 shares are being sold by the Company and 239,580 shares are being sold by the stockholders of the Company (see "Principal and Selling Stockholders"). The Company will not receive any of the proceeds from the sale of the shares being sold by the Selling Stockholders.

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

	Price to Public	Underwriting Discounts and Commissions (1)	Proceeds to Company (2)	Proceeds to Selling Stockholders (2)
Per Share .....	\$15.00	\$1.10	\$13.90	\$13.90
Total .....	\$4,725,000	\$346,500	\$1,048,338	\$3,330,162

- (1) The Company and the Selling Stockholders have agreed to indemnify the Underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933, as amended (see "Underwriting").
- (2) Before deduction of expenses estimated at \$21,300 payable by the Company and \$66,700 payable by the Selling Stockholders.

Prior to this offering there has been no market for the Common Stock of the Company. The public offering price has been determined by negotiations among the Company, the Selling Stockholders and the Underwriters.

The above shares are being offered by the several Underwriters when, as and if received and accepted by them, subject to prior sale and to the withdrawal of such offer without notice, and subject to the approval of counsel and certain other conditions.

**SHEARSON, HAMMILL & CO.**  
INCORPORATED

The date of this Prospectus is June 8, 1971

**A FEW WORDS OF EXPLANATION . . .**

The shape and format of this year's Annual Report differs considerably from our usual presentation. A few words of explanation may be helpful:

On June 8, 1971 — in its sixty-fifth year of family ownership — Glosser Bros., Inc. became a publicly owned company. Sale by the family of a portion of the previously 100% family owned shares, plus sale of certain of the Company's authorized but unissued shares, was done in the routine way using a prospectus and an underwriting group. A prospectus — particularly if the company is an old one — gives the historical background in brief, and the immediate past record in full detail. The prospectus is permitted to state the company's future intentions, while simultaneously abstaining from any estimates or predictions of future results. The top half of this report is an exact reproduction of that original Prospectus issued almost five years ago — with one minor exception; we have omitted the long list of family selling stockholders. However, the totals in these categories have been retained. The bottom half is this year's Annual Report. We have endeavored, in so far as possible, to follow the identical structure as in the original Prospectus. To highlight the interim changes, we have used brown print to accentuate the differences.

We are aware that prospectus reading is not one of the lighter pleasures of life. Yet we make no apologies for giving you, more or less, a double dose. We are not doing it this way "to be different". We believe we have an unmatched low turnover rate of employees, executives, and top management. We happen to think that equivalent high loyalty of shareholders is comparably beneficial. The major ingredients needed to achieve shareholder long term loyalty are: (a) management consistently producing good long term results, and (b) the shareholders being kept regularly and factually fully informed. We think a full reading of both portions of this Annual Report will strengthen and perhaps increase your shareholder loyalty.

The progress made in the five years since "going public" is here for you to see. We hope that five years down the road — when we start our 75th year — the progress will be as good. We will certainly try our best to make it so.



## THE COMPANY

Glosser Bros., Inc. and its subsidiaries operate a conventional department store, "Glosser Bros." (which includes a supermarket), four Gee Bee discount department stores (three of which include supermarkets) and a separate Gee Bee supermarket. All the stores are located in the Western Pennsylvania area. The Company plans to open at least two additional Gee Bee combination discount department stores and supermarkets prior to the end of 1972 (see "Business—Expansion Plans").

In the fiscal year ended January 31, 1962, when the Company operated only the Glosser Bros. department store, its sales and net income were approximately \$8,213,000 and \$52,600, respectively. Since that year the Company's sales (including sales of leased departments) increased to \$46,350,000 in the year ended January 30, 1971, while its net income increased to \$1,012,000.

The Company, which is the successor to a business founded by the Glosser family in 1906, was incorporated in Pennsylvania in 1946. Its executive offices and mailing address are located at Franklin and Locust Streets, Johnstown, Pennsylvania, 15901, and its telephone number is (814) 536-6633.

The term "Company" as used herein refers to Glosser Bros., Inc. and its subsidiaries unless the context otherwise indicates.

## USE OF PROCEEDS

The net proceeds from the sale of the 75,420 shares of Common Stock being sold by the Company are estimated at \$1,027,038. These proceeds will be added to the Company's working capital and will be available for use in the expansion of its business, including the purchase of inventory and fixtures for the opening of combination discount department stores and supermarkets in the Natrona Heights (Allegheny County) and Uniontown (Fayette County), Pennsylvania areas (see "Business—Expansion Plans"). It is contemplated that the additional funds necessary for such purposes will be obtained from operations and short-term bank borrowings. Until required, a portion of the proceeds may be invested in short-term government obligations or certificates of deposit.

## DIVIDENDS

The Company has paid annual cash dividends on its Common Stock each year since 1946. During the fiscal year ended January 30, 1971, cash dividends of approximately \$.18 per share were paid. It is the intention of the Board of Directors to consider the declaration of semi-annual cash dividends aggregating \$.20 per share a year, but the payment of future dividends will depend upon the earnings and capital requirements of the Company and other factors.

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**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

## THE COMPANY

Glosser Bros., Inc. operates a conventional department store, "Glosser Bros." (which includes a supermarket), ten Gee Bee discount department stores (six of which include supermarkets) and three free-standing supermarkets, plus one home improvement center store. All the stores are located in the Western Pennsylvania area except for one Gee Bee discount department store in Cumberland, Maryland and one in Fairmont, West Virginia. The Company plans to open at least three additional Gee Bee discount department stores prior to the end of 1977. (see "Business—Expansion Plans".)

In the fiscal year ended January 31, 1962, when the Company operated only the Glosser Bros. department store, its sales and net income were approximately \$8,213,000 and \$52,600, respectively. Since that year the Company's sales (including sales of leased departments) increased to \$103,198,000 in the year ending January 31, 1976, while its net income increased to \$2,273,000.

The Company, which is the successor to a business founded by the Glosser family in 1906, was incorporated in Pennsylvania in 1946. Its executive offices and mailing address are located at Franklin and Locust Streets, Johnstown, Pennsylvania, 15901, and its telephone number is (814) 536-6633.

## USE OF PROCEEDS

The net proceeds from the sale of the 75,420 shares of Common Stock sold by the Company were \$1,027,038. These proceeds were added to the Company's working capital and were for use in the expansion of its business, including the purchase of inventory and fixtures for the opening of combination discount department stores and supermarkets in the Natrona Heights (Allegheny County) and Uniontown (Fayette County), Pennsylvania areas (see "Business—Expansion Plans"). The additional funds necessary for those purposes, and the subsequent additional store openings, were obtained from operations and short-term bank borrowings. Until required, a portion of the proceeds were invested in short-term government obligations or certificates of deposit.

## DIVIDENDS

The Company has paid annual cash dividends on its Common Stock each year since 1946. During the fiscal year ended January 31, 1976, cash dividends of \$.28 per share were paid. The Board of Directors have declared a semi-annual cash dividend of \$.15 per share payable to shareholders of record on the 26th day of December, 1975, payable January 30, 1976. The payment of future dividends will depend upon the earnings and capital requirements of the Company and other factors.



# GLOSSER BROS., INC. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF EARNINGS

The following consolidated statement of earnings of the Company and its subsidiaries for the five fiscal years (52/53 weeks) ended January 30, 1971, has been examined by Alexander Grant & Company, independent public accountants, whose opinion appears elsewhere in this Prospectus. This statement should be read in conjunction with the financial statements and related notes included elsewhere in this Prospectus.

Fiscal year ended	January 28, 1967	January 27, 1968	February 1, 1969	January 26, 1970	January 31, 1971
Net sales (A)	\$25,367,682	\$27,018,305	\$30,532,394	\$35,849,229	\$46,350,268
Costs and expenses					
Cost of goods sold and buying costs	19,343,734	20,496,365	22,902,116	27,062,880	34,937,686
Selling, operating and administrative expenses (less credit charges—Note B)	4,123,946	4,465,896	5,161,479	6,079,349	8,114,379
Rent expense	435,701	420,141	457,034	521,827	786,392
Depreciation and amortization	127,880	151,058	194,892	253,010	344,862
Pension expense	118,836	123,350	132,387	152,309	163,640
Operating profit	24,150,097	25,656,810	28,847,908	34,069,375	44,344,639
Interest income	28,587	45,845	53,444	40,130	8,244
Income from non-trading sources—net	81,680	62,821	81,411	130,381	199,407
Interest expense—principally on long-term debt	1,327,852	1,470,161	1,819,341	1,950,365	2,210,960
Earnings before income taxes	1,295,448	1,435,702	1,777,977	1,910,238	2,163,891
Income taxes (C)	623,685	721,182	976,534	1,071,440	1,151,638
NET EARNINGS	\$ 671,763	\$ 714,520	\$ 801,443	\$ 838,798	\$ 1,012,253
Average number of shares	990,000	990,000	990,000	994,813	998,250
Net earnings per share (D)	\$ .68	\$ .72	\$ .81	\$ .84	\$ 1.01
Dividends paid per share (D)	.14	.14	.15	.15	.18
(A) Net sales include leased department sales of \$1,958,086, \$2,015,420, \$2,169,942, \$2,590,576 and \$3,458,906 for the fiscal years (52/53 weeks) ended January 28, 1967, January 27, 1968, February 1, 1969, January 31, 1970 and January 30, 1971, respectively.					
(B) Credit charges comprising interest on customers' revolving credit accounts amounted to \$101,742, \$95,907, \$100,770, \$110,716 and \$115,262 for the fiscal years (52/53 weeks) ended January 28, 1967, January 27, 1968, February 1, 1969, January 31, 1970 and January 30, 1971, respectively.					
(C) The provision for income taxes includes both current and deferred federal and state income taxes and has been reduced for investment tax credits (flow through method) as follows:					
Fiscal year ended	January 28, 1967	January 27, 1968	February 1, 1969	January 26, 1970	January 31, 1971
Federal	\$556,805	\$ 72,301	\$ 73,329	\$ 73,329	\$12,750
State	620,060	94,827	13,395	7,100	26,100
Deferred	849,684	115,774	37,176	40,140	4,800
Investment tax credits	—	—	—	—	—

(D) Net earnings per share have been computed based on average number of outstanding shares during each fiscal year (52/53 weeks) and dividends paid per share have been computed after giving retroactive effect to the recapitalization described in Note 7 of the Notes to Consolidated Financial Statements.

Net Sales (A)	\$47,988,114	\$61,127,494	\$74,457,168	\$89,905,711	\$103,198,271
Costs and Expenses					
Cost of Goods Sold and Buying Costs (E)	35,912,981	46,204,277	55,920,563	65,965,570	75,434,724
Selling, Operating and Administrative Expenses (less Credit Charges) (B)	8,303,386	10,381,806	12,874,472	17,998,905	20,564,635
Rent Expense	793,473	1,176,311	1,473,563	1,879,685	2,106,178
Depreciation and Amortization	383,428	442,617	579,789	674,693	729,559
Pension Expense	150,066	162,363	138,410	196,167	228,093
OPERATING PROFIT	2,444,780	2,760,120	3,470,371	3,190,691	4,135,082
Interest Income	53,091	32,632	43,128	49,162	40,057
Income from Non-Trading Sources—Net	125,784	193,568	262,194	384,397	453,928
Interest Expense—Principally on Long-Term Debt	2,623,655	2,986,320	3,775,693	3,624,250	4,629,067
EARNINGS BEFORE INCOME TAXES	2,582,482	2,950,113	3,741,655	3,582,711	4,572,532
Income Taxes (C)	1,392,300	1,491,670	1,830,132	1,833,468	2,300,000
NET EARNINGS	\$ 1,190,182	\$ 1,458,443	\$ 1,911,523	\$ 1,749,243	\$ 2,272,532
Average Number of Shares	1,048,530	1,073,670	1,073,670	1,073,670	1,073,670
Net Earnings Per Share (D)	\$1.14	\$1.36	\$1.78	\$1.63	\$2.12
Dividends Paid Per Share (D)	.20	.21	.23	.25	.28
(A) Net sales include leased department sales of \$3,534,024, \$4,627,596, \$6,174,431, \$7,178,178 and \$8,949,270 for the fiscal years (52/53 weeks) ended January 29, 1972, January 27, 1973, January 26, 1974, February 1, 1975 and January 31, 1976, respectively.					
(B) Credit charges comprising interest on customers' revolving credit accounts amounted to \$113,953, \$115,707, \$122,051, \$159,426, and \$202,990 for the fiscal years (52/53 weeks) ended January 29, 1972, January 27, 1973, January 26, 1974, February 1, 1975, and January 31, 1976, respectively. For the year ended February 1, 1975 and January 31, 1976 credit charges are included in the caption "Income from non-trading sources—net."					
(C) The provision for income taxes includes both current and deferred federal and state income taxes and has been reduced for investment tax credits ("flow-through" method) as follows:					
Fiscal Year Ended	January 29, 1972	January 27, 1973	January 26, 1974	February 1, 1975	January 31, 1976
Federal	\$1,086,871	\$310,689	\$ (1,760)	\$ (1,760)	\$ 3,500
State	1,255,984	330,000	(3,857)	141,623	90,457
Deferred	1,461,741	354,558	141,623	199,000	127,790
Investment Tax Credit	1,377,000	302,000	169,000	45,000	105,000

The provision for federal income taxes of the Company and each of its subsidiaries is determined on a separate return basis prior to the mergers of the wholly-owned subsidiaries into the Company. See Notes A & D of Notes to Financial Statements.

(D) Net earnings per share have been computed based on the weighted average number of outstanding shares during each fiscal year (52/53 weeks) and dividends paid per share have been computed after giving retroactive effect to the recapitalization in April 1971 whereby each of the 6,050 shares of \$50 par value common stock issued and outstanding was exchanged for 165 shares of common stock without par value.

(E) For the fiscal years ended February 1, 1975 and January 31, 1976 Buying Costs are included in the caption "Selling, operating, and administrative expenses."



During the 13 weeks ended May 1, 1971, the Company's net sales were \$10,731,141 and its net earnings were \$154,753 or 15.5¢ per share. During the 13 weeks ended May 2, 1970, the Company's net sales were \$9,831,736 and its net earnings were \$123,948 or 12.4¢ per share. The foregoing amounts are unaudited, but in the opinion of the Company all adjustments (consisting of normal recurring accruals) necessary to present fairly the results of operations for the periods indicated have been included. The results of operations for interim periods are not necessarily indicative of full year results.

CAPITALIZATION

The capitalization of the Company as of January 30, 1971, giving effect to the stock split discussed below, and as adjusted to give effect to the issuance of the Common Stock being sold by the Company, was as follows:

Long-Term Debt (a):	Outstanding		As Adjusted
5¾ % Note payable to bank, due in installments to July 1974 .....	\$ 401,074		\$ 401,074
5½ % Mortgage Note payable to bank, due in installments to October 1985 .....	166,928		166,928
2% Mortgage Note, due July 1971 .....	126,380		126,380
Capital Stock:			
Common Stock, without par value; authorized 3,000,000 shares .....	998,250 shs.		1,073,670 shs.

- (a) Includes amounts due within one year. The amounts shown as outstanding are also the amounts presently authorized.  
(b) Reference is made to Note 8 of the Notes to Consolidated Financial Statements for information with respect to the Company's obligations under long-term leases.  
(c) The Company from time to time has borrowed funds from banks on a short-term basis, but no such borrowings were outstanding at January 30, 1971.

On April 20, 1971, the Company split its then outstanding shares of Common Stock into 998,250 shares (see Note 7 of the Notes to Consolidated Financial Statements). All references in this Prospectus to shares of the Company's Common Stock have been adjusted to reflect such stock split.

BUSINESS

Glosser Bros., Inc. is the successor to a partnership founded by the Glosser family in 1906 for the purpose of engaging in the tailoring and men's wear business in Johnstown, Pennsylvania. By 1912 the business had expanded into a general department store, and in 1916 the Glossers added what they believed to be the first self-service food market connected with a department store. In 1962 the Company entered the discount department store field under the name "Gee Bee".

There is shown in the table below the location and the approximate square footage of the Company's conventional department store, discount department stores and supermarket facilities:

Location	Month and Year Opened	Approximate Square Footage		
		Department Store	Supermarket	Total
Glosser Bros. Department Store Johnstown, Pennsylvania .....	March 1906	135,000	15,000	150,000
Gee Bee Discount Department Stores				
Eastgate Center Greensburg, Pennsylvania .....	October 1962	65,000	20,000	85,000
University Park Shopping Center Richland Township, Pennsylvania .....	August 1964	85,000	23,500	108,500
Monroe Plaza Monroeville, Pennsylvania .....	July 1969	67,500	—	67,500
Northgate Plaza Shopping Center Washington, Pennsylvania .....	March 1970	71,500	21,500	93,000
Gee Bee Supermarket Center Towne Mall Johnstown, Pennsylvania .....	May 1968	—	18,350	18,350

CAPITALIZATION

The capitalization of the Company as of January 31, 1976, was as follows:

Long-Term Debt (a):	Outstanding
5½ % Mortgage Note payable to bank, due in installments to October 1985 .....	\$122,000
Capital Stock:	
Common stock without par value; authorized 3,000,000 shares .....	1,073,670

- (a) Includes amounts due within one year. The amount shown as outstanding is also the amount presently authorized.  
(b) Reference is made to Note B of the Notes to Financial Statements for information with respect to the Company's obligations under long-term leases.  
(c) The Company from time to time has borrowed funds from banks on a short-term basis, but no such borrowings were outstanding at January 31, 1976.

BUSINESS

Glosser Bros., Inc. is the successor to a partnership founded by the Glosser family in 1906 for the purpose of engaging in the tailoring and men's wear business in Johnstown, Pennsylvania. By 1912 the business had expanded into a general department store, and in 1916 the Glossers added what they believed to be the first self-service food market connected with a department store. In 1962 the Company entered the discount department store field under the name "Gee Bee". In March, 1975 the Company introduced its first Gee Bee Home Improvement Center.

There is shown in the table below the location and the approximate square footage of the Company's conventional department store, discount department stores, supermarket facilities, and home improvement center:

Location	Month and Year Opened	Approximate Square Footage		
		Department Store	Supermarket	Total
Glosser Bros. Department Store Johnstown, Pennsylvania .....	March 1906	135,000	15,000	150,000
Gee Bee Discount Department Stores				
Eastgate Center Greensburg, Pennsylvania .....	October 1962	68,000	20,000	88,000
University Park Shopping Center Richland Township, Pennsylvania .....	August 1964	89,500	23,500	113,000
Monroe Plaza Monroeville, Pennsylvania .....	July 1969	67,500	—	67,500
Northgate Plaza Shopping Center Washington, Pennsylvania .....	March 1970	71,000	21,000	92,000
Highlands Mall Natrona Heights, Pennsylvania .....	March 1972	72,000	21,000	93,000
Uniontown Mall Uniontown, Pennsylvania .....	August 1972	72,000	21,000	93,000
Queen City Blvd. Cumberland, Maryland .....	August 1973	71,000	—	71,000
Gee Bee Plaza Monaca, Pennsylvania .....	October 1973	72,000	21,000	93,000
Eastland Shopping Center North Versailles, Pennsylvania .....	November 1973	73,000	—	73,000
Middletown Mall Fairmont, West Virginia .....	April 1975	60,000	—	60,000
Gee Bee Supermarkets				
Center Towne Mall Johnstown, Pennsylvania .....	May 1968	—	18,350	
Osborne Street Johnstown, Pennsylvania .....	October 1973	—	18,350	18,350
Lyter Drive Johnstown, Pennsylvania .....	April 1975	—	14,000	14,000
Gee Bee Home Improvement Center				
University Park Shopping Center Richland Township, Pennsylvania .....	April 1975	8,500	—	8,500
		859,500	193,200	1,052,700







all have snack bars. The Gee Bee discount store in Richland Township, a suburb of Johnstown, also has an eight-bay tire, battery and auto service center. All of the Gee Bee discount stores are open six days a week from 10:00 A. M. to 10:00 P. M. and have free parking.

The stores are operated generally on a self-service, cash basis; however, bank credit plans and lay-away services are available. In the year ended January 30, 1971, approximately 5% of discount department store sales (excluding supermarket sales) were made through bank credit card plans without recourse to the Company. The discount department stores operate on a lower mark-up than the conventional department store.

The health and beauty aids departments in the Gee Bee discount stores are leased to Thrift Drug Company of Pennsylvania, and the toy and sporting goods departments are leased to subsidiaries of S. Gellis & Company, Inc. These leased departments are operated as an integral part of the Company's discount stores and are not separately identifiable by customers. The Company's revenues from the leased departments are based upon a percentage of gross sales of the particular departments with a guaranteed minimum annual payment and additional payment for storage space. The leases are generally for terms of five years, have expiration dates ranging from 1974 to 1976 and two contain options to renew. The leases are cancellable by the Company in the event of breach of any of their terms by the respective lessees.

In addition, the Company licenses the use of the name "Gee Bee Furniture Center" for an annual fee to a corporation which operates mass-merchandising furniture stores located adjacent to three of the Company's Gee Bee discount stores and a separate store in Bridgeville, Pennsylvania. Advertising and sales policies of the furniture centers are coordinated with the Company's management.

#### **Supermarkets**

The Company operates supermarkets in its Glosser Bros. department store and in three of the four Gee Bee discount department stores as well as a separate Gee Bee supermarket in Johnstown, Pennsylvania. All the supermarkets are self-service stores offering a wide selection of groceries, meats, poultry, dairy products, fresh fruits and vegetables, bakery products, frozen foods and epicurean foods. Three of the Gee Bee supermarkets have bakeries and all have delicatessen kitchens on the premises. The Company offers a wide variety of nationally advertised brands and, in addition, a selection of products bearing its own labels. Free parking is available for customers of the Gee Bee supermarkets.

#### **Expansion Plans**

The Company is presently negotiating for twenty-five year leases for two combination Gee Bee discount department stores and supermarkets to be opened in the spring and fall of 1972 in the Natrona Heights and Uniontown, Pennsylvania areas. Each store will contain approximately 93,000 square feet. In addition, the Company is considering possible sites for several additional Gee Bee discount department stores, although there can be no assurance that its efforts will result in leases being entered into or stores being opened.

#### **Suppliers**

The Company purchases its merchandise from more than 4,000 suppliers through buyers employed by the Company and unaffiliated buying offices located in New York, Chicago and Boston, as well as through its wholly-owned subsidiary, Globe Wholesale Company. It has no long term commitment with any of its suppliers and is not dependent on any single supplier. The Company does, however, purchase approximately 22% of the merchandise for the supermarkets from a single food wholesaler, Fox Grocery Company, but would have no difficulty in obtaining this merchandise from other sources. Buyers for Glosser Bros. department store also buy for the Gee Bee discount stores.

#### **Employees**

The Company employs approximately 1,400 regular employees most of whom are covered by collective bargaining agreements which expire in 1972 and 1973. During promotional selling and holiday periods the number of employees is increased. The Company considers its relations with its employees to be satisfactory.

days a week from 10:00 A.M. to 10:00 P.M. except Cumberland and Fairmont which are open from 9:30 A.M. to 9:30 P.M.

The stores are operated generally on a self-service, cash basis; however, bank credit plans and lay-away services are available. In the year ended January 31, 1976, approximately 4% of discount department store sales (excluding supermarket sales) were made through bank credit plans, without recourse to the Company. The discount department stores operate on a lower mark-up than the conventional department store.

Beginning in 1974, the Glosser Bros. (Gee Bee) revolving credit card was accepted along with various bank credit cards at all Gee Bee discount stores located in Pennsylvania. Previous to this, the Glosser Bros. credit card was accepted only at the Company's conventional department store.

In the Gee Bee discount stores, the health and beauty aids departments are leased to Fox Grocery Company, the toy and sporting goods departments are leased to Biggs-Hardex, Inc., the record departments are leased to Sound Distributing Corp., and the snack bars have recently been leased to Rayco Enterprises Inc. These leased departments are operated as an integral part of the Company's store and are not separately identifiable by customers. The Company's revenues from the leased departments are based upon a percentage of gross sales of the particular departments with a guaranteed minimum annual payment and additional payment for storage space.

In addition, the Company licenses the use of the name "Gee Bee Furniture Center" for an annual fee to a corporation which operates mass-merchandising furniture stores located adjacent to six of the Company's Gee Bee discount stores. Advertising and sales policies of the furniture centers are coordinated with the Company's management.

#### **Home Improvement Center**

The Company opened its pilot home improvement center in March 1975 in the University Park Shopping Center in Richland Township, Johnstown, Pennsylvania, near the existing Gee Bee Department Store and supermarket. The store carries merchandise for the "do-it-yourself" remodeler and repairer including paneling, kitchen cabinets, power tools, hardware and plumbing materials. Instruction and guidance for the customer is provided.

#### **Supermarkets**

The Company operates supermarkets in its Glosser Bros. department store and in six of the ten Gee Bee discount department stores as well as three separate Gee Bee supermarkets in the Johnstown, Pennsylvania area. All the supermarkets are self-service stores offering a wide selection of groceries, meats, poultry, dairy products, fresh fruits and vegetables, bakery products, frozen foods and epicurean foods. Three of the Gee Bee supermarkets have bakeries and six have delicatessen kitchens on the premises. The Company offers a wide variety of nationally advertised brands and, in addition, a selection of products bearing its own labels. Free parking is available for customers of the Gee Bee supermarkets.

#### **Expansion Plans**

The Company has negotiated a 25 year lease, with options to renew, for a Gee Bee discount department store to be opened in 1976 in the Park Hills Plaza, Altoona, Pennsylvania. This store will contain approximately 70,000 square feet. In addition, the Company recently leased a former 70,000 sq.ft. W. T. Grant Company location in the Nittany Mall, University Park (State College), Pennsylvania. This site is being refurbished and is expected to be in operation for the 1976 "back-to-school" season. The Company is actively considering possible sites for several additional Gee Bee discount department stores, although there can be no assurance that its efforts will result in leases being entered into or stores being opened.

#### **Suppliers**

The Company purchases its merchandise from more than 10,000 suppliers through buyers employed by the Company and unaffiliated buying offices located in New York, Chicago, Los Angeles and Boston. It has no long term commitment with any of its suppliers and is not dependent on any single supplier. The Company does, however, purchase approximately 29% of the merchandise for the supermarkets from a single food wholesaler, Fox Grocery Company, but would have no difficulty in obtaining this merchandise from other sources. Buyers for Glosser Bros. department store also buy for the Gee Bee discount stores.

#### **Employees**

The Company employs approximately 2,000 regular employees most of whom are covered by collective bargaining agreements which expire in 1976, 1977 and 1978. During promotional selling and holiday periods the number of employees is increased. The Company considers its relations with its employees to be excellent.



Competition and Other Matters

The retail business is highly competitive. The Company's stores are in active competition with other national chains and local retail establishments (including conventional as well as discount department stores), automobile accessory chains, drug stores, specialty shops and supermarkets. Many of the Company's competitors are larger and have substantially greater resources than the Company. The Company is unable to predict what effect, if any, a work stoppage in the steel industry (the United Steelworkers of America labor contract expires July 31, 1971) would have on the Company's business, a substantial portion of which is derived from heavily industrialized areas; however, in the past such work stoppages have not had a materially adverse effect on the Company's business.

PROPERTIES

The Glosser Bros. department store facility consists of a five-floor air-conditioned building, a two-story annex and two parking lots. The last modernization of this building was completed in 1969 and consisted of the conversion of three elevators from manual to automatic service. The lease for these properties expires in September 1978 and contains options to renew or purchase the premises. It also provides for a minimum annual rental of \$132,000 and an additional percentage rental based on gross sales and for the Company to pay taxes, insurance and certain other expenses. After September 1973 the minimum annual rental will be \$138,600. (See "Management—Interest of Management and Others in Certain Transactions.")

The four Gee Bee discount department stores are located in suburban shopping centers and the separate supermarket is located in a new urban redevelopment shopping center. The stores are all air-conditioned one-story structures of modern design. All are rented under long term leases with expiration dates ranging from 1982 to 1995 with options to renew. Minimum annual rentals and additional percentage rentals based on sales are provided for in all leases.

See Note 8 of the Notes to Consolidated Financial Statements for information with respect to the Company's minimum annual rental obligations under its long term leases.

In addition to its leased property, the Company owns two warehouses: a 60,000 square foot single floor concrete block building in Windber, Pennsylvania, and a 25,000 square foot five floor brick building in Johnstown, Pennsylvania. Both warehouses have railroad sidings and loading docks, and most store properties and both warehouses have sprinkler systems.

MANAGEMENT

Directors and Executive Officers

The directors and executive officers of the Company are:

Name	Position
Leonard J. Black .....	President and Director
Alvin M. Glosser .....	Senior Vice President and Director
Paul Glosser .....	Vice President—Food Division and Director
Herbert Sinberg .....	Vice President—Branch Stores and Director
Sydney Ossip .....	Treasurer and Director
William L. Glosser .....	Assistant Treasurer and Director
Isadore Glosser .....	Secretary and Director
Fred Glosser .....	Assistant Secretary and Director
Bessie R. Silberstein .....	Assistant Secretary and Director
Bella G. Coppersmith .....	Honorary Chairman of the Board and Director

All of the executive officers have been associated with the Company for more than five years.

Competition and Other Matters

The retail business is highly competitive. The Company's stores are in active competition with other national chains and local retail establishments (including conventional as well as discount department stores), automobile accessory chains, home improvement suppliers, drug stores, specialty shops and supermarkets. Many of the Company's competitors are large and have substantially greater resources than the Company. The Company is unable to predict what effect, if any, a work stoppage in the steel industry (The United Steelworkers of America labor contract expires August 1, 1977) would have on the Company's business, a substantial portion of which is derived from heavily industrialized areas; however, in the past such work stoppages have not had a materially adverse effect on the Company's business. The steelworkers' contract presently contains a no-strike mandatory arbitration clause.

PROPERTIES

The Glosser Bros. department store facility consists of a five floor air-conditioned building, a two-story annex and two parking lots. There has been a continuous modernization and updating of this building. The lease for these properties expires in September 1978 and contains options to renew or purchase the premises. It also provides for a minimum annual rental of \$132,000 and an additional percentage rental based on gross sales and for the Company to pay taxes, insurance and certain other expenses. After September 1973 the minimum annual rental became \$138,600. Additional office space of approximately 10,000 square feet has been leased in a building adjacent to and connected with Glosser Bros. department store. (See "Management—Interest of Management and Others in Certain Transactions.")

The ten Gee Bee discount department stores are primarily located in suburban shopping centers and of the separate supermarkets two are located in downtown Johnstown and one in a nearby suburban area. The stores are all air-conditioned one-story structures of modern design. All are rented under long term leases with expiration dates ranging from 1982 to 2000 with options to renew. Minimum annual rentals and additional percentage rentals based on sales are provided for in all leases.

See Note B of the Notes to Financial Statements for information with respect to the Company's minimum annual rental obligations under its long term leases.

In addition to its leased property, the Company owns two warehouses: a 96,900 square foot single floor concrete block building in Windber, Pennsylvania, and a 25,000 square foot five floor brick building in Johnstown, Pennsylvania. Both warehouses have railroad sidings and loading docks, and most store properties and both warehouses have sprinkler systems.

MANAGEMENT

Directors and Executive Officers

The directors and executive officers of the Company are:

Name	Position
Leonard J. Black .....	President and Director
Alvin M. Glosser .....	Senior Vice President and Director
Paul L. Glosser .....	Vice President - Food Division and Director
Herbert Sinberg .....	Vice President - Branch Stores and Director
Sydney Ossip .....	Treasurer and Director
William L. Glosser .....	Assistant Treasurer and Director
Isadore Glosser .....	Secretary and Director
Fred Glosser .....	Assistant Secretary and Director
Bessie R. Silberstein .....	Assistant Secretary and Director
W. Louis Coppersmith .....	General Counsel and Director
N. Gwynne Dodson .....	Director, Retired President, Pennsylvania Electric Company
Michael R. Linburn .....	Director, Oppenheimer Properties, Inc.

All of the executive officers have been associated with the Company for more than five years.



Remuneration

The following table sets forth, for the fiscal year ended January 30, 1971, information with respect to remuneration paid or payable by the Company for services in all capacities to each director, and each of the three highest paid officers, whose aggregate remuneration from the Company exceeded \$30,000 and to all officers and directors as a group.

<u>Name</u>	<u>Direct Remuneration</u>	<u>Retirement Plan</u>	
		<u>Amount Accrued During Last Fiscal Year</u>	<u>Estimated Annual Benefits Upon Retirement</u>
Leonard J. Black .....	\$ 62,700	\$1,037	\$23,591
Alvin M. Glosser .....	57,200	941	25,418
Paul Glosser .....	56,100	922	27,776
Herbert Sinberg .....	56,100	922	22,960
Sydney Ossip .....	56,600	1,018	24,698
William L. Glosser .....	45,100	729	19,468
Isadore Glosser .....	49,500	806	21,990
Fred Glosser .....	49,500	806	23,602
All Directors and Officers as a Group (10 Persons) .....	\$447,800		

Interest of Management and Others in Certain Transactions

Glosser Bros. department store occupies premises owned by members of the Glosser family or trusts created by them subject to a lease which terminates on September 15, 1978 (see "Properties"). The aggregate rentals paid by the Company to the respective owners of the real estate for the three fiscal years ended January 30, 1971, were \$157,400, \$145,700 and \$151,100, respectively. In the last two fiscal years the Company paid the insurance, taxes and certain other expenses, while in the fiscal year ended February 1, 1969 such items were included in the rentals. The Company has an option to purchase the premises at a fair market value determined by three disinterested appraisers appointed by the Court of Common Pleas of Cambria County, Pennsylvania.

In January 1970 the Company leased premises for its Gee Bee discount department store in Washington, Pennsylvania, for a term ending in 1995. The premises are owned by an entity in which Paul Glosser, an officer and director of the Company, and the spouses of two other stockholders of the Company have a 50% interest. The lease provides for the Company to pay an annual minimum rental of \$184,000, an additional percentage rental based on gross sales and certain other expenses. In addition, the Company made a \$40,000 payment to the owners of the premises for the installation of a traffic signal light and necessary highway paving, 75% of which amount may be recovered by the Company as a deduction from percentage rental payments, if such become payable by the Company.

In the opinion of the Company, the terms of both of the foregoing leases are competitive with the terms available for comparable property in the same location if leased from non-affiliated persons.

In 1968 the Company purchased for \$54,400 its warehouse in Johnstown, Pennsylvania from a corporation formerly owned by members of the Glosser family.

The Company has from time to time advanced funds to officers on a short term non-interest bearing basis. No such loans are outstanding at the date of this Prospectus. The Company will not continue this practice.

Remuneration

The following table sets forth, for the fiscal year ended January 31, 1976, information with respect to remuneration paid or payable by the Company for services in all capacities to each director, and each of the eight highest paid officers, whose aggregate remuneration from the Company exceeded \$30,000 and to all officers and directors as a group.

<u>Name</u>	<u>Direct Remuneration</u>	<u>Retirement Plan</u>	
		<u>Amount Accrued During Last Fiscal Year</u>	<u>Estimated Annual Benefits Under Retirement</u>
Leonard J. Black .....	\$ 73,600	\$ 3,353	\$44,160
Alvin M. Glosser .....	68,800	2,043	41,280
Paul L. Glosser .....	65,700	1,468	39,420
Herbert Sinberg .....	65,700	2,325	39,420
Sydney Ossip .....	67,000	3,007	40,200
William L. Glosser .....	52,100	1,200	31,210
Isadore Glosser .....	56,700	1,742	34,000
Fred Glosser .....	57,700	1,544	34,620
All Directors and Officers as a Group (10 Persons) .....	\$523,100		

Interest of Management and Others in Certain Transactions

Glosser Bros. department store occupies premises owned by members of the Glosser family or trusts created by them subject to a lease which terminates on September 15, 1978 (see "Properties"). The aggregate rentals paid by the Company to the respective owners of the real estate for the three fiscal years ended January 31, 1976, were \$175,694, \$176,049, \$165,247, respectively. The Company pays the insurance, taxes and certain other expenses.

The Company has an option to purchase the premises at a fair market value determined by three disinterested appraisers appointed by the Court of Common Pleas of Cambria County, Pennsylvania.

In January 1970 the Company leased premises for its Gee Bee discount department store in Washington, Pennsylvania, for a term ending in 1995. The premises are owned by an entity in which Paul L. Glosser, an officer and director of the Company, and the spouses of two other stockholders of the Company have a 50% interest. The lease provides for the Company to pay an annual minimum rental of \$184,000, an additional percentage rental based on gross sales and certain other expenses. In addition, the Company made a \$40,000 payment to the owners of the premises for the installation of a traffic signal light and necessary highway paving 75% of which amount has partially been recovered by the Company as a deduction from percentage rental payments.

In the opinion of the Company, the terms of both of the foregoing leases are competitive with the terms available for comparable property in the same location if leased from non-affiliated persons.

In 1968 the Company purchased for \$54,400 its warehouse in Johnstown, Pennsylvania from a corporation formerly owned by members of the Glosser family.

The Company does not loan funds to officers.



## Before Offering

## After Offering

## PRINCIPAL AND SELLING STOCKHOLDERS

As of April 30, 1971, no person owned of record or, to the knowledge of the Company, owned beneficially more than 10% of the outstanding shares of Common Stock of the Company. The following table sets forth as of that date information as to the record and beneficial ownership of the Common Stock of the Company by its Directors and Officers as a group, the number of shares being sold by the Selling Stockholders as a group and the number and approximate percentage of such shares owned and to be owned by them as a group prior to and completion of the offering made hereby.

	Before Offering		No. of Shares To Be Sold	After Offering	
	No. of Shares Owned	% of Out- standing Shares		No. of Shares To Be Owned	% of Out- standing Shares
All Directors and Officers as a Group (10 persons) .....	446,325	44.7	107,119	339,206	31.6
All Selling Shareholders as a Group (33 persons) .....	998,250	100.0	239,580	758,670	70.4

Under the rules and regulations of the Securities and Exchange Commission, the officers and directors, who together constitute the management of the Company, may, as a group, be deemed to be "parents" of the Company.

## DESCRIPTION OF COMMON STOCK

The holders of the Company's Common Stock are entitled (1) to receive, out of the surplus of the Company legally available therefor, dividends when, as and if declared by the Board of Directors, (2) to one vote for each share and (3) to share pro rata in the net assets distributable to stockholders in the event of the voluntary or involuntary liquidation of the Company. The Company's Articles of Incorporation do not provide for cumulative voting.

The outstanding shares of Common Stock are, and the shares of Common Stock being sold by the Company will be, fully-paid and non-assessable. The holders of Common Stock are not entitled to any preemptive, subscription or conversion rights, and there are no redemption provisions applicable to such stock.

In the opinion of counsel for the Company, the outstanding shares of Common Stock are, and the shares of Common Stock being sold by the Company will be, exempt from all existing personal property taxes in Pennsylvania.

The Mellon National Bank and Trust Company, Pittsburgh, Pennsylvania and the Chemical Bank, New York, New York are Transfer Agents and Registrars for the Common Stock of the Company.

The Company will furnish its stockholders with annual reports containing financial statements certified by independent certified public accountants and quarterly reports containing unaudited financial information.

## PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth as of January 31, 1976, information as to the record and attributable ownership of the Common Stock of the Company by its Directors and Officers and their children as a group and also as to all the original Selling Shareholders and their children as a group.

	No. of Shares Owned	% of Out- standing Shares
All Original Directors and Officers as a Group (10 Persons) .....	328,921	30.6%
All Original Selling Shareholders as a Group (33 Persons) .....	714,041	66.5%

## DESCRIPTION OF COMMON STOCK

The holders of the Company's Common Stock are entitled (1) to receive, out of the surplus of the Company legally available therefor, dividends when, as and if declared by the Board of Directors, (2) to one vote for each share and (3) to share pro rata in the net assets distributable to stockholders in the event of the voluntary or involuntary liquidation of the Company. The Company's Articles of Incorporation do not provide for cumulative voting.

The outstanding shares of Common Stock are, and the shares of Common Stock being sold by the Company will be, fully-paid and non-assessable. The holders of Common Stock are not entitled to any preemptive, subscription or conversion rights, and there are no redemption provisions applicable to such stock.

In the opinion of counsel for the Company, the outstanding shares of Common Stock are, and the Company will be, exempt from all existing personal property taxes in Pennsylvania.

Mellon Bank N.A., Pittsburgh, Pennsylvania, is the Transfer Agent, Registrar, and Dividend Disbursing Agent for the Common Stock of the Company.

The Company will furnish its stockholders with annual reports containing financial statements certified by independent certified public accountants and quarterly reports containing unaudited financial information. Upon request, the Company will furnish its stockholders with a copy of its most recent annual report to the Securities and Exchange Commission (Form 10-K).



### UNDERWRITING

Under the terms and subject to the conditions of the Purchase Contract (a copy of which is filed as an exhibit to the Registration Statement of which this Prospectus is a part), the Underwriters named below have severally agreed to purchase the number of shares of Common Stock to be sold by the Company and the Selling Stockholders set forth opposite their respective names below:

<u>Name</u>	<u>Address</u>	<u>Number of Shares</u>
Shearson, Hammill & Co. Incorporated .....	14 Wall Street New York, N. Y. 10005	60,500
Blyth & Co., Inc. ....	14 Wall Street New York, N. Y. 10005	10,000
Drexel Firestone, Incorporated .....	60 Broad Street New York, N. Y. 10004	10,000
duPont Glore Forgan Incorporated .....	One Wall Street New York, N. Y. 10005	10,000
Eastman Dillon, Union Securities & Co. Incorporated .....	One Chase Manhattan Plaza New York, N. Y. 10005	10,000
Goldman, Sachs & Co. ....	55 Broad Street New York, N. Y. 10004	10,000
Hornblower & Weeks-Hemphill, Noyes .....	8 Hanover Street New York, N. Y. 10004	10,000
Paine, Webber, Jackson & Curtis Incorporated .....	140 Broadway New York, N. Y. 10005	10,000
Stone & Webster Securities Corporation .....	90 Broad Street New York, N. Y. 10004	10,000
White, Weld & Co. ....	20 Broad Street New York, N. Y. 10005	10,000
Bear, Stearns & Co. ....	One Wall Street New York, N. Y. 10005	6,500
CBWL-Hayden, Stone Inc. ....	767 Fifth Avenue New York, N. Y. 10022	6,500
Clark, Dodge & Co. Incorporated .....	140 Broadway New York, N. Y. 10005	6,500
Dominick & Dominick, Incorporated .....	14 Wall Street New York, N. Y. 10005	6,500
E. F. Hutton & Company Inc. ....	One Battery Park Plaza New York, N. Y. 10004	6,500
W. E. Hutton & Co. ....	14 Wall Street New York, N. Y. 10005	6,500
F. S. Moseley & Co. ....	60 Broad Street New York, N. Y. 10004	6,500
R. W. Pressprich & Co. Incorporated .....	80 Pine Street New York, N. Y. 10005	6,500
Shields & Company Incorporated .....	44 Wall Street New York, N. Y. 10005	6,500
G. H. Walker & Co. Incorporated .....	45 Wall Street New York, N. Y. 10005	6,500
Walston & Co., Inc. ....	77 Water Street New York, N. Y. 10005	6,500
Abraham & Co. ....	120 Broadway New York, N. Y. 10005	4,000

### UNDERWRITING

Since June 1971, the casualty rate in the investment-brokerage business has been severe. Of the firms listed below, a number have ceased to exist. Others have had name changes because of mergers and takeovers. An update on the original list of underwriters reads as follows:

Shearson, Hammill & Co., Incorporated-now Shearson Hayden Stone Inc.

Blyth & Co., Inc.-now Blyth Eastman Dillon & Co., Inc.

Drexel Firestone, Incorporated-now Drexel Burnham & Co., Inc.

duPont Glore Forgan Incorporated-no longer in business

Eastman Dillon, Union Securities & Co. Incorporated-now Blyth Eastman Dillon & Co., Inc.

Goldman, Sachs & Co.

Hornblower & Weeks-Hemphill, Noyes, Inc.

Paine, Webber, Jackson & Curtis Inc.

Stone & Webster Securities Corporation-now Stone & Webster, Inc.

White, Weld & Co., Inc.

Bear, Stearns & Co.

CBWL-Hayden, Stone Inc.-now Shearson Hayden Stone Inc.

Clark, Dodge & Co. Incorporated-no longer in business

Dominick & Dominick, Inc.

E. F. Hutton & Company Inc.

W. E. Hutton & Co.-no longer in business

F. S. Moseley & Co.-now Moseley, Hallgarten & Estabrook, Inc.

R. W. Pressprich & Co. Inc.

Shields & Company Incorporated-now Shields Model Roland Inc.

G. H. Walker & Co. Incorporated-no longer in business

Walston & Co., Inc.-no longer in business



<u>Name</u>	<u>Address</u>	<u>Number of Shares</u>
Bacon, Whipple & Co. ....	135 S. LaSalle Street Chicago, Ill. 60603	4,000
Butcher & Sherrerd ....	1500 Walnut Street Philadelphia, Pa. 19105	4,000
Dain, Kalman & Quail, Incorporated ....	100 Dain Tower Minneapolis, Minn. 55402	4,000
Fulton, Reid & Staples, Inc. ....	2100 East Ohio Building Cleveland, Ohio 44114	4,000
McDonald & Company ....	2100 Central National Bank Building Cleveland, Ohio 44114	4,000
The Milwaukee Company ....	207 East Michigan Street Milwaukee, Wis. 53202	4,000
Mitchum, Jones & Templeton Incorporated ....	510 South Spring Street Los Angeles, Calif. 90013	4,000
Moore, Leonard & Lynch, Incorporated ....	Union Trust Building Pittsburgh, Pa. 15219	4,000
Piper, Jaffray & Hopwood Incorporated ....	115 South Seventh Street Minneapolis, Minn. 55402	4,000
Reinholdt & Gardner ....	506 Olive Street St. Louis, Mo. 63101	4,000
Schneider, Bernet & Hickman Securities Corporation ....	3200 First National Bank Building Dallas, Texas 75202	4,000
Singer, Deane & Scribner ....	Union Trust Building Pittsburgh, Pa. 15219	4,000
C. E. Unterberg, Towbin Co. ....	61 Broadway New York, N. Y. 10006	4,000
Arthurs, Lestrangle & Short ....	2 Gateway Center Pittsburgh, Pa. 15222	3,000
Chaplin, McGuinness & Co. Incorporated ....	Peoples Bank Building Pittsburgh, Pa. 15222	3,000
Cunningham, Schmertz & Co., Inc. ....	1900 Union Bank Building Pittsburgh, Pa. 15222	3,000
Hallowell, Sulzberger, Jenks & Co. ....	Philadelphia National Bank Building Broad and Chestnut Streets Philadelphia, Pa. 19107	3,000
J. J. B. Hilliard, W. L. Lyons & Co. ....	545 South Third Street Louisville, Ky. 40202	3,000
A. E. Masten & Co. ....	One Oliver Plaza Pittsburgh, Pa.	3,000
Parker/Hunter Incorporated ....	1146 Union Trust Building Pittsburgh, Pa. 15219	3,000
Russ & Company Incorporated ....	1600 Alamo National Building San Antonio, Texas 78205	3,000
Simpson, Emery & Company Incorporated ....	1117 Plaza Building Pittsburgh, Pa. 15219	3,000
Bruns, Nordeman & Co. ....	115 Broadway New York, N. Y. 10006	2,000
Cannon, Jerold & Co., Inc. ....	77 Water Street New York, N. Y. 10005	2,000

Abraham & Co.-merged into Lehman Brothers  
 Bacon, Whipple & Co.  
 Butcher & Sherrerd-now Butcher & Singer  
 Dain, Kalman & Quail, Inc.  
 Fulton, Reid & Staples, Inc.  
 McDonald & Co.  
 The Milwaukee Company  
 Mitchum, Jones & Templeton Inc.  
 Moore, Leonard & Lynch, Inc.  
 Piper, Jaffray & Hopwood Inc.  
 Reinholdt & Gardner  
 Schneider, Bernet & Hickman Inc.  
 Singer, Deane & Scribner-now Butcher & Singer  
 C. E. Unterberg, Towbin Co.  
 Arthurs, Lestrangle & Short  
 Chaplin, McGuinness & Co. Incorporated-no longer in business  
 Cunningham, Schmertz & Co., Inc.  
 Hallowell, Sulzberger, Jenks & Co.-no longer in business  
 J. J. B. Hilliard, W. L. Lyons Inc.  
 A. E. Masten & Co., Inc.  
 Parker/Hunter Inc.  
 Russ & Company Incorporated-now Russ Securities Corp.  
 Simpson, Emery & Company Inc.  
 Bruns, Nordeman & Co.-now Bruns, Nordeman, Rea & Co.  
 Cannon, Jerold & Co., Inc.-no longer in business  
 Havenfield Corporation-no longer in business  
 Burton J. Vincent & Co.-now Burton J. Vincent, Chesley & Co.  
 Yarnall, Biddle & Co.-now Butcher & Singer



<u>Name</u>	<u>Address</u>	<u>Number of Shares</u>
Havenfield Corporation .....	120 Broadway New York, N. Y. 10005	2,000
Burton J. Vincent & Co. ....	105 West Adams Street Chicago, Ill. 60603	2,000
Yarnall, Biddle & Co. ....	1528 Walnut Street Philadelphia, Pa. 19102	2,000
	Total .....	<u>315,000</u>

The Underwriters propose to offer part of the shares offered hereby directly to the public at the public offering price set forth on the cover page of this Prospectus and part thereof to dealers at such public offering price, less a selling concession of 60 cents per share, out of which concession an amount not to exceed 25 cents per share may be reallocated by such dealers to certain brokers and dealers. Some or all the Underwriters may be included among such dealers.

The Company and the Selling Stockholders have agreed that, except with the prior written consent of Shearson, Hammill & Co. Incorporated, they will not, for a period of 120 days after the date hereof, sell or otherwise dispose of any shares of Common Stock or other securities of the Company, or sell or grant options, rights or warrants with respect to any shares of Common Stock or other securities of the Company, other than the sale of Common Stock in accordance with the Purchase Contract, except for gifts and pledges under certain conditions.

The Underwriters are obligated to purchase all the shares offered hereby if any are purchased. Shearson, Hammill & Co. Incorporated has been designated as the Representative of the Underwriters.

The Company and the Selling Stockholders, on the one hand, and the Underwriters on the other, have agreed to indemnify each other against certain civil liabilities, including certain liabilities under the Securities Act of 1933, as amended.

At the request of the Company, the Underwriters have agreed to reserve 5,000 of the shares offered hereby for sale at the public offering price to employees of the Company. Any of such shares not purchased by employees will be sold to the public.

LEGAL OPINIONS

The legality of the Common Stock offered hereby will be passed upon for the Company and the Selling Stockholders by W. Louis Coppersmith, 8th Floor, First National Bank Building, Johnstown, Pennsylvania 15901, general counsel for the Company, and Messrs. Kaplan, Finkel and Roth, 424 Frick Building, Pittsburgh, Pennsylvania 15219, special counsel for the Company, and for the Underwriters by Messrs. Dewey, Ballantine, Bushby, Palmer & Wood, 140 Broadway, New York, New York 10005. As to all matters of Pennsylvania law, Messrs. Dewey, Ballantine, Bushby, Palmer & Wood may rely on the opinions of W. Louis Coppersmith and Messrs. Kaplan, Finkel and Roth. W. Louis Coppersmith and Louise S. Roth, the spouse of Samuel B. Roth, a partner in the firm of Kaplan, Finkel and Roth, are Selling Stockholders (see "Principal and Selling Stockholders").

EXPERTS

The financial statements and schedules appearing in this Prospectus and elsewhere in the Registration Statement have been examined by Alexander Grant & Company, independent public accountants, as set forth in their reports appearing elsewhere herein and therein, and are so included in reliance upon the reports and the authority of such firm as experts.

STOCK PRICES

Immediately after the underwriting on June 8, 1971, the shares were traded in the Over-The-Counter Market, as is customary. On September 5, 1972, Glosser Bros., Inc.'s shares were listed on the American Stock Exchange using the symbol GEE. They have been traded on the American Stock Exchange since that date.

The table below shows the high and low prices of the Company's Common Stock in the Over-The-Counter Market and on the American Stock Exchange for periods since the Company went public on June 8, 1971:

1971	High Bid	15 1/4	Over-The-Counter		
	Low Bid	10 7/8			
1972	High Bid	16	Over-The-Counter		
	Low Bid	12 3/8	(January 1 to September 1)		
	High	14 1/2	American Exchange		
	Low	10	(September 5 to December 31)		
	Quarter:	1st	2nd	3rd	4th
1973	High	14 5/8	10 3/4	10 3/4	11 1/2
	Low	10 3/8	7 7/8	7	7
1974	High	9 1/4	9	8	6 1/4
	Low	7 3/8	7 1/2	5	4
1975	High	7 3/8	9 1/2	9	9 1/2
	Low	4 3/4	6 5/8	7	7 5/8
1976	High	15			
	Low	9 1/2			

Number of Shareholders of Record May 1, 1976 — 1,227



# REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Board of Directors  
Glosser Bros., Inc.

We have examined the consolidated balance sheet of Glosser Bros., Inc. and Subsidiaries at January 30, 1971, and the related consolidated statements of earnings for the five fiscal years (52/53 weeks) then ended and the related consolidated statements of additional capital, retained earnings and sources and application of funds for the three fiscal years (52/53 weeks) then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements for the three fiscal years (52/53 weeks) ended February 1, 1969 were examined by a firm of independent certified public accountants, which has since merged with us.

In our opinion, the above-mentioned financial statements present fairly the consolidated financial position of Glosser Bros., Inc. and Subsidiaries at January 30, 1971, and the results of their operations and changes in working capital for the indicated periods, in conformity with generally accepted accounting principles applied on a consistent basis.

ALEXANDER GRANT & COMPANY

New York, New York  
March 20, 1971 (except for  
Note 7 as to which the  
date is April 20, 1971)

1976

Board of Directors and Shareholders  
Glosser Bros., Inc.

We have examined the balance sheet of Glosser Bros., Inc. (a Pennsylvania corporation) as of February 1, 1975 and January 31, 1976, and the related statements of earnings, retained earnings and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Glosser Bros., Inc. at February 1, 1975 and January 31, 1976, and the results of its operations, and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

ALEXANDER GRANT & COMPANY

Pittsburgh, Pennsylvania  
March 19, 1976



**GLOSSER BROS., INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
**January 30, 1971**

ASSETS		
<b>CURRENT ASSETS</b>		
Cash .....		\$ 278,690
Commercial paper—at cost which approximates market .....		600,000
Accounts receivable		
Trade .....	\$1,439,289	
Less allowance for doubtful accounts .....	20,000	
	1,419,289	
Due from officers .....	85,000	
Miscellaneous receivables .....	118,388	1,622,677
Merchandise inventories (Note 2) .....		4,727,141
Prepaid expenses .....		131,359
Total current assets .....		<u>7,359,867</u>
<b>FIXED ASSETS—AT COST (Note 3)</b>		
Land .....	32,260	
Buildings .....	405,705	
Furniture and fixtures and delivery equipment .....	2,821,665	
Leasehold improvements .....	714,543	
	3,974,173	
Less accumulated depreciation and amortization .....	1,296,404	2,677,769
		<u>\$10,037,636</u>
LIABILITIES		
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term liabilities (Note 4) .....		\$ 171,740
Accounts payable—trade .....		1,306,065
Accrued liabilities		
Salaries and bonuses .....	\$ 680,496	
Payroll and other taxes .....	156,164	
Pension plan (Note 6) .....	163,640	
Sundry .....	254,348	1,254,648
Income taxes (Note 5) .....		242,599
Deferred income taxes (Note 5) .....		181,839
Total current liabilities .....		<u>3,156,891</u>
<b>LONG-TERM LIABILITIES (Note 4)</b>		
Note payable to bank .....	401,074	
Real estate mortgages .....	293,308	
	694,382	
Less current maturities .....	171,740	522,642
<b>COMMITMENTS AND CONTINGENT LIABILITIES (Notes 6 and 8)</b>		
<b>STOCKHOLDERS' EQUITY (Note 7)</b>		
Common stock—authorized, 3,000,000 shares without par value; issued and outstanding, 998,250 shares .....	302,500	
Additional capital .....	117,048	
Retained earnings .....	5,938,555	6,358,103
		<u>\$10,037,636</u>

The accompanying notes are an integral part of this statement.

**BALANCE SHEET**

	January 31, 1976	February 1, 1975
ASSETS		
<b>CURRENT ASSETS</b>		
Cash and certificates of deposit	\$ 284,000	\$ 233,000
Investments in commercial paper at cost	1,000,000	1,800,000
Accounts receivable less allowance for doubtful receivables of \$35,000 in 1976 and \$30,000 in 1975	2,751,000	2,356,000
Merchandise inventories (note A)	10,417,000	8,204,000
Prepaid expenses	455,000	387,000
Total current assets	<u>14,907,000</u>	<u>12,980,000</u>
<b>PROPERTY AND EQUIPMENT—AT COST (note A)</b>		
Buildings	935,000	797,000
Furniture, fixtures and equipment	6,536,000	5,628,000
Leasehold improvements	999,000	990,000
	8,470,000	7,415,000
Less accumulated depreciation and amortization	2,837,000	2,271,000
	5,633,000	5,144,000
Land	103,000	43,000
	5,736,000	5,187,000
<b>OTHER ASSETS</b>	201,000	180,000
	<u>\$20,844,000</u>	<u>\$18,347,000</u>
LIABILITIES		
<b>CURRENT LIABILITIES</b>		
Current maturities		
Note payable to bank	\$ 193,000	\$ 240,000
Mortgage payable	10,000	10,000
Accounts payable—trade	2,818,000	2,966,000
Accrued compensation and other expenses	1,708,000	1,430,000
Income taxes (notes A and D)	530,000	246,000
Deferred income taxes (notes A and D)	397,000	323,000
Total current liabilities	<u>5,656,000</u>	<u>5,215,000</u>
<b>LONG-TERM DEBT—net of current maturities</b>		
5½ % mortgage payable, maturing in 1985	112,000	123,000
<b>DEFERRED INCOME TAXES (notes A and D)</b>	363,000	268,000
<b>COMMITMENTS (note B)</b>	—	—
<b>SHAREHOLDERS' EQUITY</b>		
Common stock—authorized, 3,000,000 shares without par value; issued and outstanding 1,073,670 shares	378,000	378,000
Capital in excess of stated value	1,071,000	1,071,000
Retained earnings	13,264,000	11,292,000
	14,713,000	12,741,000
	<u>\$20,844,000</u>	<u>\$18,347,000</u>

The accompanying notes are an integral part of this statement.



( No comparable page in Prospectus)

1976

## STATEMENT OF EARNINGS

	52 weeks ended January 31, 1976	53 weeks ended February 1, 1975 *
Net sales (note A)	\$103,198,000	\$89,906,000
Costs and expenses		
Cost of goods sold	75,435,000	65,966,000
Selling, operating and administrative expenses	20,792,000	18,195,000
Rent	2,107,000	1,880,000
Depreciation and amortization (note A)	729,000	675,000
	<u>99,063,000</u>	<u>86,716,000</u>
Operating profit	4,135,000	3,190,000
Other income—net	438,000	392,000
Earnings before income taxes	<u>4,573,000</u>	<u>3,582,000</u>
Income taxes (notes A and D)		
Current	2,131,000	1,634,000
Deferred	169,000	199,000
	<u>2,300,000</u>	<u>1,833,000</u>
NET EARNINGS	<u>\$ 2,273,000</u>	<u>\$ 1,749,000</u>
Weighted average number of shares outstanding during year	<u>1,073,670</u>	<u>1,073,670</u>
Net earnings per common share	<u>\$2.12</u>	<u>\$1.63</u>

\* Certain reclassifications have been made to conform to the current year presentation.

The accompanying notes are an integral part of this statement.



**GLOSSER BROS., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ADDITIONAL CAPITAL**  
**AND RETAINED EARNINGS**

**ADDITIONAL CAPITAL**

	<i>Fiscal year ended</i>		
	<i>February 1, 1969 (53 weeks)</i>	<i>January 31, 1970 (52 weeks)</i>	<i>January 30, 1971 (52 weeks)</i>
Balance at beginning of period .....	\$ 82,048	\$ 82,048	\$ 117,048
Excess of proceeds over par value on sale of common stock .....	—	35,000	—
Balance at end of period .....	<u>\$ 82,048</u>	<u>\$ 117,048</u>	<u>\$ 117,048</u>

**RETAINED EARNINGS**

Balance at beginning of period .....	\$3,768,811	\$4,420,254	\$5,107,802
Add net income for year .....	801,443	838,798	1,012,253
	<u>4,570,254</u>	<u>5,259,052</u>	<u>6,120,055</u>
Less cash dividends paid (Note 7)			
\$.15 per share .....	150,000	—	—
.15 per share .....	—	151,250	—
.18 per share .....	—	—	181,500
Balance at end of period .....	<u>\$4,420,254</u>	<u>\$5,107,802</u>	<u>\$5,938,555</u>

The accompanying notes are an integral part of these statements.

**STATEMENT OF RETAINED EARNINGS**

Years ended January 31, 1976 and February 1, 1975

Balance—January 26, 1974	\$ 9,811,000
Net earnings for the year (53 weeks) ended February 1, 1975	1,749,000
Dividends declared, \$.25 per share	<u>(268,000)</u>
Balance—February 1, 1975	11,292,000
Net earnings for the year (52 weeks) ended January 31, 1976	2,273,000
Dividends declared, \$.28 per share	<u>(301,000)</u>
Balance—January 31, 1976	<u>\$13,264,000</u>

The accompanying notes are an integral part of this statement.



## GLOSSER BROS., INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF SOURCES AND APPLICATION OF FUNDS

	Fiscal Year Ended		
	February 1, 1969 (53 weeks)	January 31, 1970 (52 weeks)	January 30, 1971 (52 weeks)
Sources of funds			
From operations			
Net earnings .....	\$ 801,443	\$ 838,798	\$1,012,253
Depreciation and amortization .....	194,892	253,010	344,862
	996,335	1,091,808	1,357,115
Long-term borrowing .....	748,667	—	—
Proceeds from sale of capital stock .....	—	37,500	—
Total sources of funds .....	1,745,002	1,129,308	1,357,115
Application of funds			
Additions to fixed assets, net .....	967,936	723,413	696,011
Reduction of long-term debt .....	473,078	51,040	174,985
Dividends paid .....	150,000	151,250	181,500
Total application of funds .....	1,591,014	925,703	1,052,496
Increase in working capital .....	\$ 153,988	\$ 203,605	\$ 304,619
Changes in working capital			
Current assets—increase (decrease)			
Cash—including commercial paper .....	\$ 32,677	\$ (563,466)	\$ (497,058)
Accounts receivable—net .....	139,378	65,371	68,951
Miscellaneous receivables and due from officers .....	31,475	144,658	(13,515)
Inventories .....	427,926	709,049	1,064,209
Prepaid expenses .....	22,889	56,227	(3,830)
Increase .....	588,991	411,839	618,757
Current liabilities—increase (decrease)			
Notes payable .....	15,252	2,938	121,890
Accounts payable and accruals .....	416,153	197,930	486,015
Income taxes .....	(14,967)	(51,384)	(277,765)
Deferred income taxes .....	18,565	58,750	(16,002)
Increase .....	435,003	208,234	314,138
Increase in working capital .....	\$ 153,988	\$ 203,605	\$ 304,619

The accompanying notes are an integral part of this statement.

## STATEMENT OF CHANGES IN FINANCIAL POSITION

	52 weeks ended January 31, 1976	53 weeks ended February 1, 1975
Sources of working capital		
From operations		
Net earnings for the year	\$2,273,000	\$1,749,000
Charges to earnings not using working capital		
Depreciation and amortization of property and equipment (note A)	729,000	675,000
Deferred income taxes (notes A and D)	95,000	108,000
Working capital provided from operations	3,097,000	2,532,000
Applications of working capital		
Additions to property and equipment—net	1,278,000	969,000
Increase in other assets	21,000	18,000
Reduction of long-term debt	11,000	10,000
Dividends on common stock	301,000	268,000
	1,611,000	1,265,000
INCREASE IN WORKING CAPITAL	1,486,000	1,267,000
Working capital at beginning of year	7,765,000	6,498,000
Working capital at end of year	\$9,251,000	\$7,765,000
Changes in components of working capital		
Increase (decrease) in current assets		
Cash and certificates of deposit	\$ 51,000	\$ (1,537,000)
Investments in commercial paper	(800,000)	1,800,000
Accounts receivable—net	395,000	504,000
Merchandise inventories (note A)	2,213,000	381,000
Prepaid expenses	68,000	(55,000)
	1,927,000	1,093,000
(Increase) decrease in current liabilities		
Current maturities	47,000	148,000
Accounts payable	148,000	40,000
Accrued compensation and other expenses	(278,000)	(179,000)
Dividend payable	—	129,000
Income taxes (notes A and D)	(284,000)	119,000
Deferred income taxes (notes A and D)	(74,000)	(85,000)
	(441,000)	172,000
INCREASE IN WORKING CAPITAL	\$1,486,000	\$1,265,000

The accompanying notes are an integral part of this statement.



GLOSSER BROS., INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1—Principles of Consolidation

The consolidated financial statements include the accounts of Glosser Bros., Inc. and its two subsidiaries (wholly-owned). All intercompany transactions have been eliminated in consolidation. The excess of the parent company's equity in the net assets of the consolidated subsidiaries over the investment shown on the books of the parent company at January 30, 1971 amounting to \$3,897,322 was credited to retained earnings.

Note 2—Merchandise Inventories

Merchandise inventories are valued at the lower of cost or market based principally on the retail method. The opening and closing inventories used in computing cost of goods sold are as follows:

January 29, 1966 .....	\$2,227,250
January 28, 1967 .....	2,580,381
January 27, 1968 .....	2,525,957
February 1, 1969 .....	2,953,883
January 31, 1970 .....	3,662,932
January 30, 1971 .....	4,727,141

Note 3—Fixed Assets

Provision for depreciation and amortization of the fixed assets has been made on the straight-line method based on the following estimated useful lives of the various assets:

Buildings .....	20-25 years
Furniture and fixtures .....	8-10 years
Delivery equipment .....	3 years
Leasehold improvements—based on length of lease or life of property, whichever is shorter...	3-25 years

Expenditures for maintenance, repairs and renewals are charged to earnings as incurred. Major renewals, betterments and additions are capitalized.

When fixed assets are retired or otherwise disposed of, the accumulated depreciation account is charged with the accumulated amount of depreciation applicable to such fixed assets and the profit realized or loss sustained is transferred to current profit and loss account.

Note 4—Long-Term Liabilities

A 5¾ % bank note in the amount of \$401,074 is payable in monthly installments (including interest) of \$4,986 and matures in 1974. This note is collateralized by a building owned by affiliated persons.

The mortgages payable consist of the following:

2% mortgage payable in monthly installments of \$809 including interest, due in 1971 .....	\$126,380
5½ % mortgage payable in monthly installments of \$1,405 including interest, due in 1985 .....	166,928
	<u>\$293,308</u>

The aggregate payments for amortization and maturities for the next five fiscal years on long-term liabilities outstanding at January 30, 1971 are as follows:

1972 (included in current liabilities) .....	\$171,740
1973 .....	48,115
1974 .....	50,934
1975 .....	293,898
1976 .....	9,811

NOTES TO FINANCIAL STATEMENTS

January 31, 1976 and February 1, 1975

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows.

Basis of presentation

During the years ended February 1, 1975 and January 31, 1976 the wholly-owned subsidiaries were merged into the Company.

Inventories

Inventories are stated at the lower of cost or market, determined principally by the retail method.

Property and equipment

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations on a straight-line basis over their estimated service lives. Leasehold improvements are amortized over the lives of the respective leases or the service lives of the improvements, whichever is shorter. Provision for depreciation and amortization of the property and equipment has been based on the following estimated useful lives:

Buildings .....	20-40 years
Furniture, fixtures and equipment .....	3-10 years
Leasehold improvements— based on length of lease or life of property, whichever is shorter	3-25 years

Maintenance, repairs and renewals are charged to expense as incurred, except that expenditures which increase the useful lives of the assets are capitalized. Upon sale or other disposition of assets, the cost of the asset and the related accumulated depreciation are deducted from the accounts and any resultant gain or loss is reflected in operations.

Sales

Net sales include leased department sales of approximately \$8,949,000 and \$7,178,000 for the fiscal years ended January 31, 1976 and February 1, 1975, respectively.

Income taxes

Investment credit is recorded under the "flow-through" method. Under this method, the credit affects net earnings in the year in which it reduces Federal income taxes payable. Deferred income taxes result from timing differences between financial and tax reporting for deferred payment sales and depreciation. The Federal income tax returns of the Company have been examined through the fiscal year ended January 27, 1973.

NOTE B—COMMITMENTS

The minimum rental commitments under all noncancelable leases, net of \$70,500 annual rentals from an existing noncancelable sublease, as of January 31, 1976, were as follows:

Fiscal Year Ending In	Real Estate
1977	\$1,957,000
1978	1,954,000
1979	1,949,000
1980	1,811,000
1981	1,811,000
1982-1986, inclusive	8,449,000
1987-1991, inclusive	7,607,000
1992-1996, inclusive	6,988,000
1997 and beyond, inclusive	3,455,000

In addition, certain leases require the payment of real estate taxes and other expenses, while most store leases, under certain circumstances, require additional rental amounts based on percentages of gross sales. Additional rents of approximately \$140,000 and \$92,000 based on percentages of gross sales were paid or payable for the years ended January 31, 1976 and February 1, 1975, respectively. During each of the years ended January 31, 1976 and February 1, 1975, approximately \$360,000 was paid or payable to affiliated persons for rental of real property.



## GLOSSER BROS., INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

## Note 5—Income Taxes

The Federal income tax returns of the Company and its subsidiaries have been examined through the fiscal year ended February 1, 1969.

Deferred income taxes result from the use, for tax purposes, of the installment method of accounting for deferred payment sales.

## Note 6—Retirement Program

The Company and its subsidiaries have a noncontributory pension plan for substantially all their employees. The total pension expense includes amortization of past service costs over a period of 15 years. The Company's policy is to fund pension cost accrued. The unfunded past service costs at January 30, 1971 amounted to approximately \$440,000.

## Note 7—Recapitalization

On April 20, 1971 Glosser Bros., Inc. amended its Articles of Incorporation to provide for an authorized capitalization of 3,000,000 shares of common stock, without par value. Each of the 6,050 shares of \$50 par value issued and outstanding prior to recapitalization will be exchanged for 165 shares of common stock without par value.

In the accompanying consolidated financial statements retroactive effect has been given to the amendment of the Articles of Incorporation and the exchange of capital stock.

## Note 8—Commitments

Lease commitments at January 30, 1971 provide for aggregate minimum annual rentals of approximately \$710,000 through 1995. In addition, certain leases require the payment of real estate taxes, insurance and certain other expenses, while all leases, under certain circumstances, require additional rental amounts based on percentages of gross sales. Approximately \$157,000, \$146,000 and \$311,000 of rental expense was paid for the fiscal years ended February 1, 1969, January 31, 1970 and January 30, 1971, respectively, to affiliated persons.

The Company has signed an agreement to purchase certain acreage in Allegheny County, Pennsylvania at a cost of \$200,000 in connection with the proposed new store in Natrona Heights.

## Note 9—Supplementary Profit and Loss Information

	Fiscal year ended		
	February 1, 1969 (53 weeks)	January 31, 1970 (52 weeks)	January 30, 1971 (52 weeks)
Maintenance and repairs			
Selling, operating and administrative expenses .....	\$ 99,669	\$118,136	\$198,631
Taxes other than income taxes			
Payroll taxes			
Selling, operating and administrative expenses .....	177,165	242,912	266,393
Property taxes			
Selling, operating and administrative expenses .....	3,660	43,136	37,590
Franchise and other taxes			
Selling, operating and administrative expenses .....	81,720	116,992	131,062
Provision for bad debts			
Selling, operating and administrative expenses .....	7,010	18,678	5,607
Management and service contract fees .....	None	None	None
Royalties .....	None	None	None

## NOTES TO FINANCIAL STATEMENTS

1976

## NOTE C—RETIREMENT PROGRAM

The Company has pension plans covering substantially all its employees. Pension expense for the fiscal years ended January 31, 1976 and February 1, 1975, was \$228,000 and \$196,000, respectively, which includes amortization of prior service cost over 20 years. The Company's policy is to fund pension cost accrued. The total of the pension funds and balance sheet accruals exceeded the actuarially computed value of vested benefits at January 31, 1976 and February 1, 1975.

## NOTE D—INCOME TAX EXPENSE

Income tax expense for the two fiscal years ended January 31, 1976 is made up of the following components:

	52 weeks ended January 31, 1976	53 weeks ended February 1, 1975
Current provision		
Federal	\$1,847,000	\$1,377,000
Investment tax credit	(105,000)	(45,000)
State	389,000	302,000
	<u>2,131,000</u>	<u>1,634,000</u>
Deferred provision		
Federal	137,000	163,000
State	32,000	36,000
	<u>169,000</u>	<u>199,000</u>
Total provision	<u>\$2,300,000</u>	<u>\$1,833,000</u>

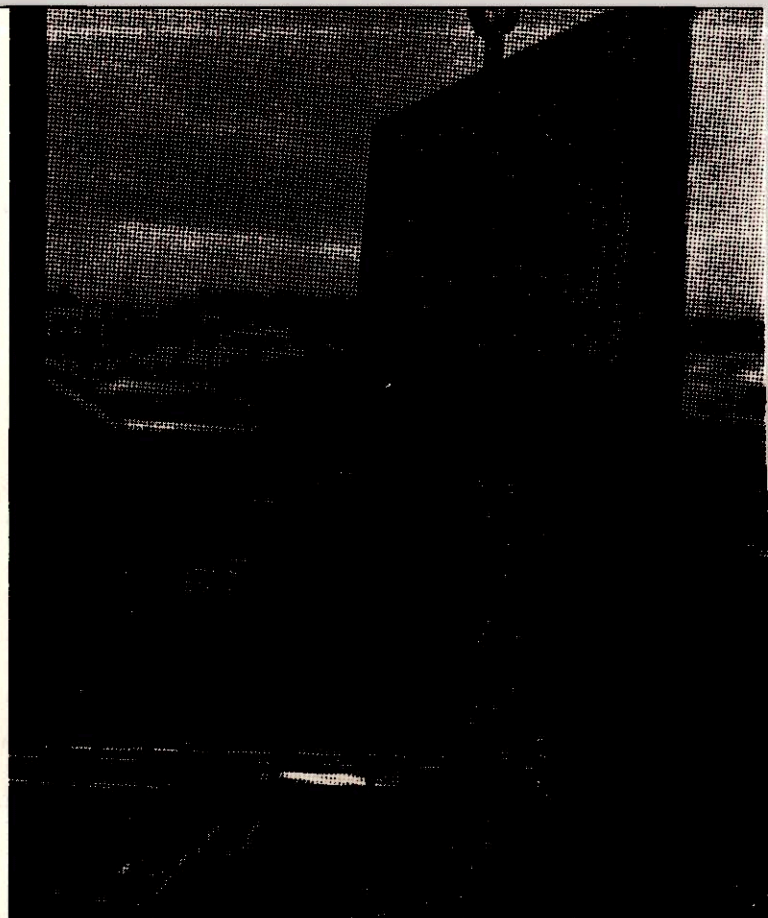
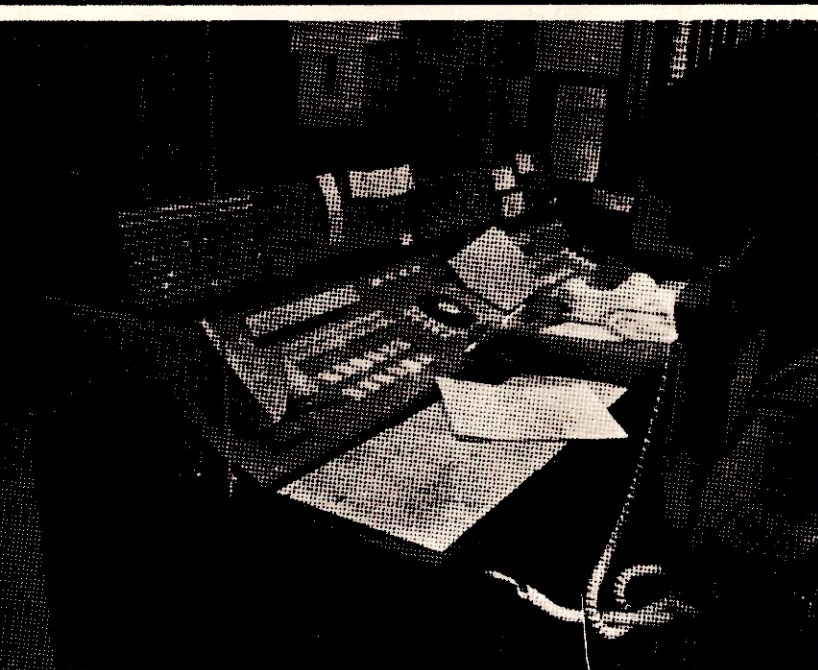
Deferred tax expense results from timing differences in the recognition of revenue and expense for tax and financial reporting purposes. The sources of these differences and the resulting (increase) decrease in taxes payable for the two fiscal years ended January 31, 1976 were:

	52 weeks ended January 31, 1976	53 weeks ended February 1, 1975
Excess of tax over book depreciation	\$ 94,000	\$171,000
New store pre-opening expenses deducted in year of new store opening, amortized on books over 12 months from opening	—	(34,000)
Installment method of accounting for deferred payment sales	75,000	62,000
	<u>\$169,000</u>	<u>\$199,000</u>

Total tax expense amounted to \$2,300,000 (an effective rate of 50.3%) and \$1,833,000 (an effective rate of 51.2%) which are in excess of \$2,195,000 and \$1,720,000 computed by applying the U.S. Federal income tax rate of 48% to earnings before income taxes for the fiscal years ended January 31, 1976 and February 1, 1975, respectively. The reasons for these differences are as follows:

	% of pretax earnings	
	1976	1975
Computed "expected" tax expense	48.0%	48.0%
Increase (reductions) in taxes resulting from		
Investment tax credit	(2.3)	(1.2)
State income taxes, net of federal tax benefit	4.8	4.6
Other	(.2)	(.2)
	<u>50.3%</u>	<u>51.2%</u>





#### **CORPORATE HEADQUARTERS**

Franklin & Locust Streets  
Johnstown, Pennsylvania 15901  
814-536-6633

#### **ANNUAL MEETING**

The 1976 annual meeting of the stockholders of Glosser Bros., Inc. will be held in the Ft. Duquesne Room of the William Penn Hotel, Mellon Square, Pittsburgh, Pennsylvania on Tuesday, June 8, 1976 at 11 a.m., EDST

#### **TRANSFER, DIVIDEND DISBURSING AGENT and REGISTRARS**

Mellon Bank, N.A.  
Mellon Square  
Pittsburgh, Pennsylvania 15230

#### **GENERAL COUNSEL**

Margolis & Coppersmith  
804 First National Bank Building  
Johnstown, Pennsylvania 15901

#### **AUDITORS**

Alexander Grant & Company  
One Oliver Plaza  
Pittsburgh, Pennsylvania 15222

#### **TRADING MARKET**

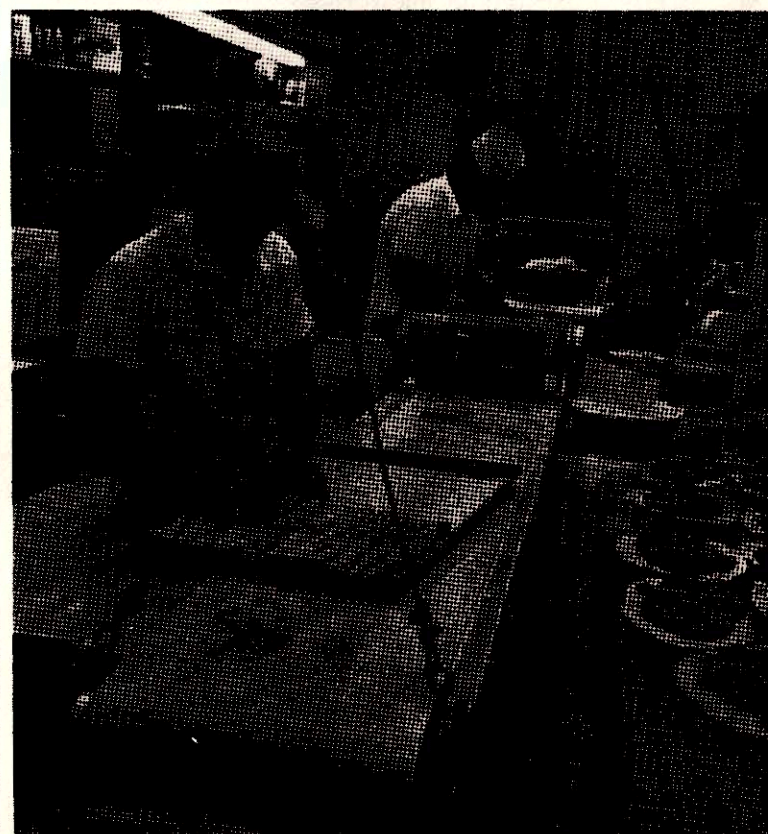
The principal market for trading in Glosser Bros., Inc. common stock is the American Stock Exchange. The symbol is GEE.

#### **SHARE OWNER DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN**

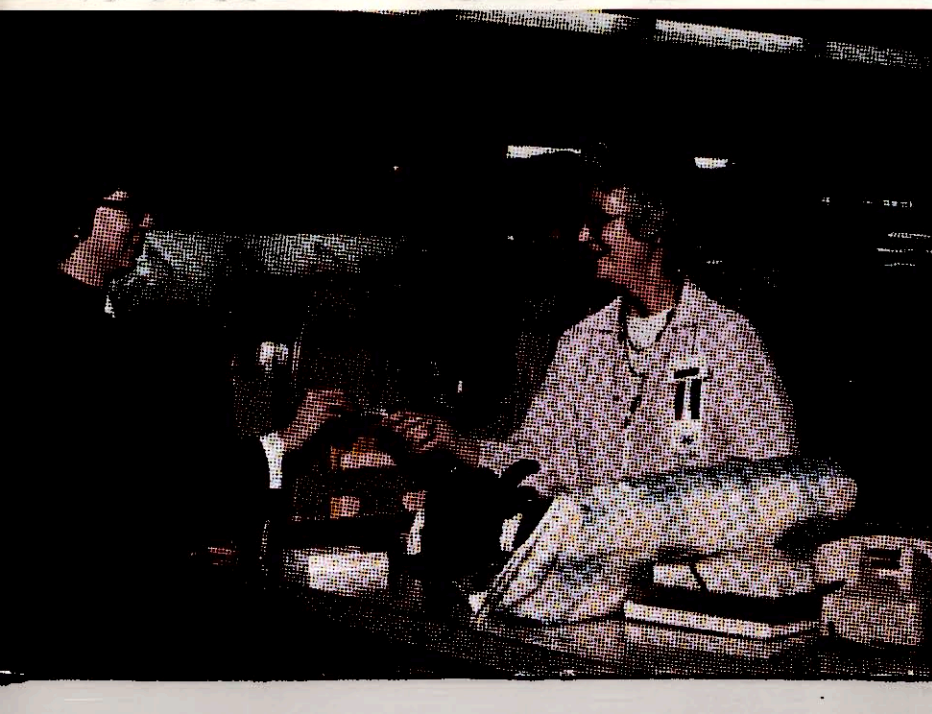
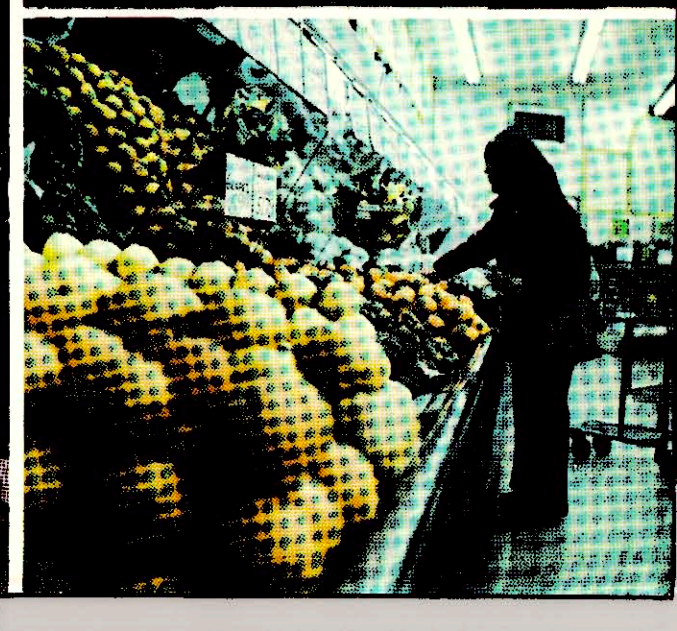
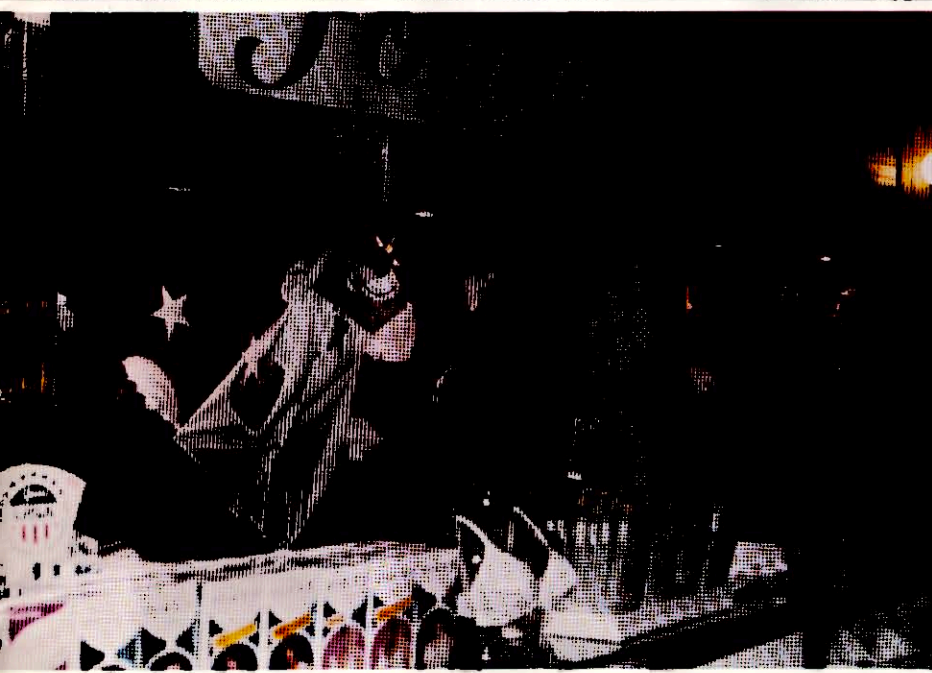
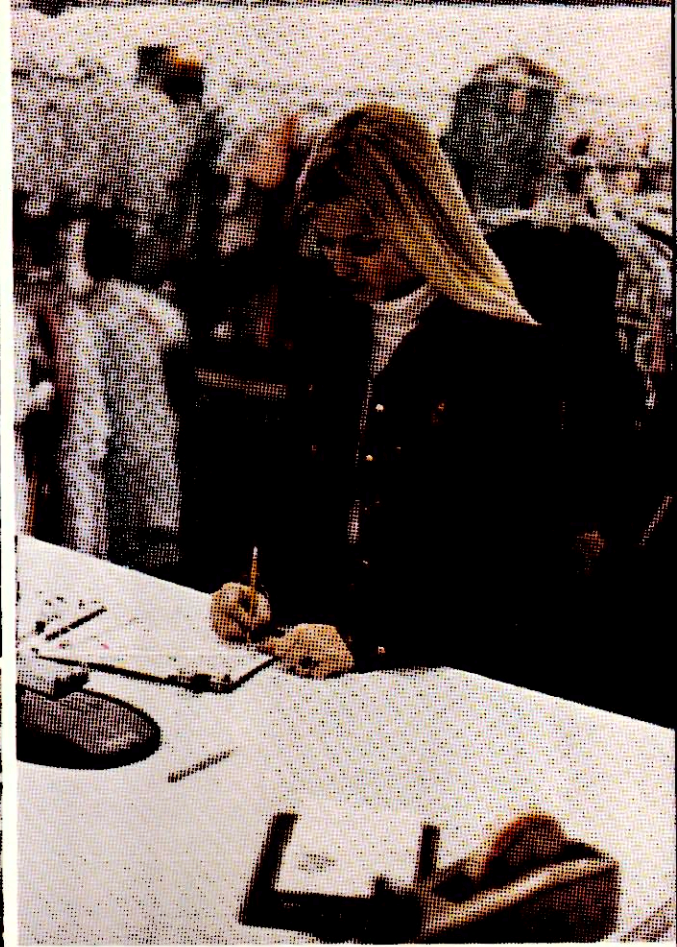
The Company has a Share Owner Dividend Reinvestment and Stock Purchase Plan which provides common stock share owners of record a convenient means of purchasing additional shares of Company common stock automatically by investing dividends and/or additional cash payments. Requests for complete information and a prospectus relating to the Plan should be sent to the Secretary of the Company.

#### **NOTICE:**

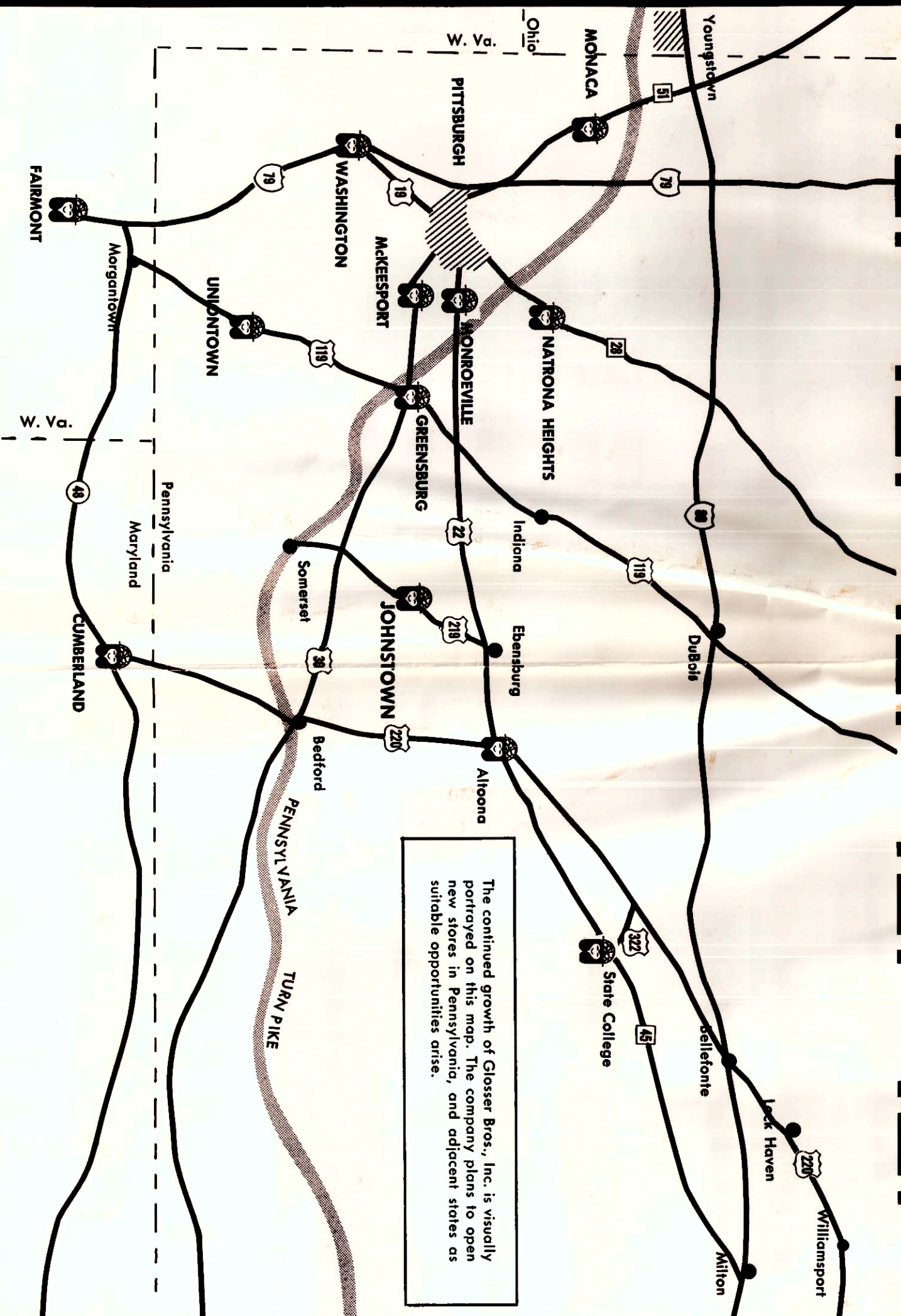
The annual report and the financial statements herein are for the general information of the share owners of the Company and are not intended to be used in connection with any sale or purchase of securities.











The continued growth of Glosser Bros., Inc. is visually portrayed on this map. The company plans to open new stores in Pennsylvania, and adjacent states as suitable opportunities arise.